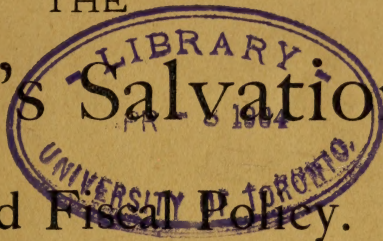


THE
Empire's Salvation:
A Sound Fiscal Policy.



3 1761 09952445 6

BY

FRED. G. SHAW.

**"There is no man however poor, who need fear under the system that I propose, that, without his goodwill, the cost of living will be increased a single farthing."—
Mr. Chamberlain, June 26th, 1903.**

SECOND EDITION.

London:

GEORGE PULMAN AND SONS, Limited,
THAYER STREET, MANCHESTER SQUARE, W.

1903.

PRICE ONE SHILLING.

THE
Empire's Salvation:
A Sound Fiscal Policy.

BY

FRED. G. SHAW, F.G.S.,
Assoc. M. INST. C.E., Etc.,

Author of

“Comets—their Tails,” and The “Gegenschein,” etc.

SECOND EDITION.

London:

GEORGE PULMAN AND SONS, Limited,
THAYER STREET, MANCHESTER SQUARE, W.

1903.

CONTENTS.

PREFACE.		PAGE
CHAPTER I.	- - - - -	I
Introduction.		
CHAPTER II.	- - - - -	6
A Simile—Ruin of Tradesmen—Paying Rent—Injustice to our People—Wise Laws—Bad Business—Alternative—Bad Results—Profits must be made—A Fortune left us—Make the Foreigners pay—Free Traders' Argument—Grand Future—Taxing imported Wheat lowers price of Bread, Mutton, and Beef—A Suggestion to be Refused.		
CHAPTER III.	- - - - -	20
Free Trade—Meaning of Free Trade—Cobden—Mr. Chamberlain—Losing our Lead—Enormous Loss—England's Loss, America's Profit—American Statistics—Coal—Annual Loss per Head Increasing.		
CHAPTER IV.	- - - - -	28
A Progressive Commercial Policy—Mistaken Ideals—United States and Canada—The Campaign for Reciprocity—Trade follows the Flag—Montreal Congress—Sir Charles Dilke—Navy League.		
CHAPTER V.	- - - - -	36
The Hub of the Universe—Sir William Preece—George Meredith—Rhodes—Seddon—Salisbury—Unarmed—"Berlin Post"—India—Food Supply—Cotton—American Trusts—Eggs and Poultry—Rhodesian Cotton.		
CHAPTER VI.	- - - - -	49
Samuel Untermyer—Lord Playfair—France—Free Trade condemned in Germany—The Cobden Club—Colonial Premiers—America—"The World"—Shipping,		
CHAPTER VII.	- - - - -	56
Mr. Chamberlain—Trade with your own People—Germany—Bismarck—Benefit of Protection—Germany the Dumper—Money Lost to the Nation.		
CHAPTER VIII.	- - - - -	65
Losing Trade—Pianos—Foreigners' Income—Falling off in Manufactures—Dependence on Foreign Manufactures—Last Month's Decrease in Exports—Big Increase in Pauperism—Mistaken Ideas,		

	PAGE
CHAPTER IX. - - - - -	73
The Interests of Workmen—Ruin to the Agriculturists—Bread—Depreciation of Landed Property—Cobden again.	
CHAPTER X. - - - - -	79
Cost of Production—Home Trades—The Unemployed—Iron Imports Increase—Carnegie—95 per cent. of a Trade Destroyed—G. H. Wood on the Un-employed—McKinley—President Roosevelt—Milling Trade.	
CHAPTER XI. - - - - -	87
No Extra Cost of Living—Facts Favouring Protection—Results of Foreign Duties on Wheat, Steel Rails, and Tin-plates—Agriculture—Exports—Sir Michael Hicks Beach.	
CHAPTER XII. - - - - -	96
Mosely Commission—German Wages—High Wages in Germany—England's Paupers—German Hatred—German Methods—Foreign Editors of English Papers.	
CHAPTER XIII. - - - - -	103
The Cobden Club—Amazing Impudence—German Influence—Awakening in Time—The Kaiser—The German Chancellor.	
CHAPTER XIV. - - - - -	110
Offence to Others—One Nation to Fear—Sir Conyngham Greene—Adam Smith's Wealth of Nations—A Solution.	
CHAPTER XV. - - - - -	117
Our Empire—The Australian Colonies—Value of our Colonies—Imports into the Colonies from United Kingdom—From Foreign Countries—Export Trade of Colonies, &c., to United Kingdom—To Foreign Countries—A Warning—Emigration U.S. to Canada.	
CHAPTER XVI. - - - - -	124
Conclusion—German Prosperity—Savings Bank Statistics.	
CHAPTER XVII. - - - - -	128
The German Foe—Plot to destroy our Commerce—Surprising Document—Hitting below the Belt—The Letter—No Room in Europe—Colonies Scarce for Germany—Germany's Thrift—Cobden Club—German Money to be Employed—Hint to German Government—Subsidised English Press—Secret Funds.	
POSTSCRIPT - - - - -	136
Facts and Fallacies—Imports and Employment—Mr. L. L. Price.	

PREFACE.

COMPETITION IS THE SOUL OF FAIR TRADE.

FAIR TRADE means the unimpeded interchange of commercial commodities between different nations on an equal fiscal basis.

England has not Fair Trade.

British manufacturers are severely handicapped in their own Market, for the upkeep of which they pay heavily, by the competition of foreigners, who pay nothing towards the maintenance of that market and who can therefore undersell the British producers.

The manufacturers and producers of this nation should have the use of the National markets for themselves; they pay for them! and the bigger these markets are the better.

If the people of a nation do not purchase from and encourage the manufacturers and producers of their own country, how can they expect them to prosper?

If the manufacturers and producers of a nation do not prosper, how can the nation be expected to succeed ?

If a nation cannot manufacture and produce goods at such a price and of such a character as will please its own inhabitants, how can it possibly hope to compete in the trade of the rest of the world ?

These are the reasons why a Sound Fiscal Policy must be adopted by this Country.

FRED. G. SHAW.

August, 1903.

N.B.—If after perusing my book you consider that it will be useful at this crisis to our fellow-countrymen, and of benefit to our nation, may I ask you for patriotic reasons, to do your utmost to advance the objects for which it has been written.

THE EMPIRE'S SALVATION : A SOUND FISCAL POLICY.



CHAPTER I. INTRODUCTION.

THE proposition now before the British Nation is one which embraces the advisability of protecting our manufacturers, our tradesmen and our working population, in their manufacturing and agricultural pursuits ; it recognises the necessity of fostering, not only British industries, but those of our Colonies and our Possessions, and its object is to promote a closer and more lasting union with all parts of the Empire by means of reciprocal trading advantages, in addition to those ties of sympathy and brotherhood which are at present the only bond between the different parts of our Empire. It also aims at stopping the bad and unsound business methods which we, as a nation, are now adopting, and the consequent monetary loss which Great Britain is incurring with alarming and increasing rapidity month by month under the so-called Free Trade, and its principal aim will be to raise the wages and better the condition of the poorer classes. It is therefore the solemn duty of each member of the community to study the ques-

tion with all earnestness, banishing from his mind all preconceived ideas and party issues, and endeavouring honestly to weigh the arguments and figures placed before him, and the momentous issue which is discussed, uncontrolled by any mentor other than his own judgment.

It is to my fellow-countrymen, the working men of every religion, every shade of politics, to whom this question is of the most vital importance, and it is to them more than any others I appeal, not only to satisfy themselves as to the justice and importance of these arguments, but to assist me in helping our fellow workmen to arrive at a decision which will most undoubtedly result in their own prosperity and that of their descendants.

A GRAVE MATTER.

Is not this matter which we, as a nation, have now to decide, graver and more urgent than any problem which can be placed before us ? Is it not worthy of the most impartial consideration, and should not every fact, every figure which is given, be absolutely incontrovertible, and be deserving of your immediate attention ? Is not a statesman therefore justified in collecting statistics, facts and figures from Government returns, and deserving of the highest honour for placing the issues before the people he represents.

The question is one which affects the vital interests

and welfare of the British race, and it is you who will have to decide before long whether it is to your advantage and to the advantage of your country to continue a policy under which we alone among the nations of the earth have for so long elected to exist, or whether the time has not come when it may be to your interests to adopt new measures in order to retain your trade and your Colonies, to protect your industries, and to compel other countries to give you those reciprocal advantages which should be yours. You have in the past spent your money freely in order to finance and support your Colonies, and you have also shed your blood willingly in order to acquire and retain these vast possessions which are the glory of our Empire, and do you now wish to lose them ?

STUDY THE QUESTION.

In order to fully realise the relative commercial position of England at the present moment in comparison with other nations and our Colonies, it will be necessary briefly, but carefully, to study the past, present, and future trading position of this country. We must study the real meaning of the words "Free Trade," see whether we have it, according to the ideals of Cobden, &c., and if not, whether it is possible to obtain it. To inquire into the result of the Protective system adopted by every other nation of the world, study the opinions of leading and eminent foreigners on our contemplated change in fiscal matters, and find

out how much we have to gain and how much to lose ; keeping the present condition and the future welfare of our people constantly in view. Fair play and toleration should be shown by each one in considering the opinions of one's fellow subjects. It is the duty of every man and woman to study well this question, to banish selfish ideals, and to be willing to make some sacrifice if, by doing so, he or she can assist in the advancement and the prosperity of his or her fellow-subject. Providence has been good to us as a nation ; it has given us more territory and more population than any other country in the world.

THE WISDOM OF PROTECTION.

We have within the Empire greater wealth than any other nation, and there is no commodity, no product which we cannot grow and produce under more favourable conditions than any other nation ; we can and should supply every needful article of life wanted in the Empire, and we should retain and consolidate to ourselves this grand and glorious market for our own use while we have the opportunity. The time has now come when we, as a nation, should retaliate on the other nations of the earth for the penalties they *have*, and *are*, making us pay, in return for our generous gift of Free Trade, which we have for so long, and to our own loss, given to the world. The ideals, hopes, and prophecies of Cobden and the Manchester school have not been carried out ; other nations have each of them

considered the possibilities of Free Trade, but have one and all rejected it ; their wisdom in doing so has been shown by their rapid strides in commerce and wealth.

I have no party ideals, except those connected with the subject of this book. It is not to either Liberal, Conservative or Labour Members I appeal, but to all. Protection should be a party cry of itself, and I foresee that it will sweep to one side the old terms, it will draw to its ranks clever, thinking and honest men of all shades of politics, and the adherents of the present so-called Free Trade will go down to the obscurity they deserve.

In conclusion, I would ask my readers to remember every point which appeals to them as being of importance to their country, and if there should be any points on which they are not satisfied, let them not rest until they have satisfied themselves fully and completely, and if they then think that the protection of our industries, &c., is necessary, they should enlist themselves in the cause and try and gain converts.

CHAPTER II.

A SIMILE BETWEEN A TRADESMAN'S COMMERCIAL LIFE AND THAT OF THE NATIONAL COMMERCIAL LIFE.

A TRADESMAN who can afford to do so, takes a shop, for which he pays a certain rent, he pays for its upkeep, and he also pays certain taxes and rates in connection with the premises. This shop then becomes his ; he claims the use of his shop window, the protection of his roof, the use of his counter, and his rooms, shelves, cellars, &c., and should therefore be allowed to take every advantage he fairly can in pushing and advancing his business in this shop, because he has paid for his right to do so. Would it not be monstrous and incredible if any stranger was permitted by law to enter at will into the tradesman's shop, enjoy the protection of his roof, use his counter, his rooms, &c., and display his (the stranger's) own goods in the rentpayer's window, and in addition adopt every method, fair and crooked, of underselling the owner of the shop.

This he could do, because he has to pay no rates, taxes, or rents, and has the use of the shop, &c., free. This stranger, you must remember, has a shop of his own in a neighbouring town, but that shop is not large enough for him, and his surplus stock is going to waste and spoiling ; so this surplus stock he brings into our trades-

man's shop, dumps it down in the window and crowds out the tradesman's goods.

But the latter says to himself, What is good for a goose is good for the gander, and I shall therefore send my crowded-out stock into the neighbouring town. This he does, and tries to enter the stranger's own shop in order to sell his goods, but he finds that the laws in this town protect its tradesmen, and that if he wants to use the shop of the stranger he has to pay so heavily for the privilege that it is impossible to sell his own goods there at a profit. Thus his attempt to sell his crowded-out stock is prevented ; he has not room for it in his own shop, and his only remedy is to take less stock and to curtail his business, or to give up his trade, leave his shop, and go to the neighbouring town and become a citizen there, as *he is then certain* of being protected ; unless, indeed, he can force his own town to alter its laws so that he may be protected in the use of the shop for which he pays.

RUIN OF THE TRADESMAN.

If the foregoing state of things was permitted by law, the ruin of the tradesman would soon be assured ; that is, if he kept his shop open. No one would be willing to invest capital in renting a shop and paying taxes, &c., under such conditions, and the business of the shop would be left to the stranger who would still continue to pay nothing. How monstrous such a state of affairs

would be ! but it is exactly that which we, as a nation, are doing ; 'tis true, on a larger and more ruinous scale. We are paying heavily for our shop, that is our market, and admitting the foreigner to use our market and pay no taxes, &c.

PAYING OUR RENT.

We, as a nation, have to pay water rates, poor rates, education rates, keep up the army, navy, Church, police, paupers, and postal department, &c., for the upkeep of the British Empire, thus paying as we do, heavily for our market, we should have the sole right of keeping it to ourselves and our rate-paying fellow countrymen and taking advantage of the facilities which it offers to us. We should have the right to the home markets as well as to the markets of our Colonies and our possessions. This latter advantage the Colonies are willing to give us if some fair reciprocal arrangements are made. If they give us the right to use their markets we must give them the right to use ours, as their productions are what we require, and *vice versa* ; this will only be an advantage to both. We have in the past financed them, we have protected them, and are ready to do so again. We and they have spent our blood freely in the cause of the Empire, and we and they should have a privileged right to the use of our mutual markets to the exclusion of our foreign rivals.

INJUSTICE TO OUR OWN PEOPLE.

But, monstrous as it seemed when discussing the poor tradesman's difficulties with his stranger trade rival, it is infinitely worse for us, as a nation, to admit the foreigner untaxed and unfettered to share the privileges of our markets.

WISE LAWS.

My friend ! I know what you would say. Does not the poor foreigner himself have to pay taxes in his own country when manufacturing his commodities ? And I answer, " For the goods he exports, hardly any tax. When he has goods for export, his paternal government, rich with the taxes placed on our goods entering its territory, says : ' No, good man ! I will help you ! You have paid your taxes, you shall not only have your home markets to yourselves, but I will provide bounties and cheap freights ; you shall be encouraged to enter into competition with, and to ruin, if possible, your rivals. You have won the interest due on the capital which you have invested in your own country, and repaid yourself the taxes which you have contributed towards its revenue, this you have done from the profits you have made in your own home markets, your surplus stock shall not be further taxed. You shall be assisted in every way,' "

Thus the foreigner is bounty fed, lightly taxed in

his own country and not taxed at all in this ; and, as I shall elsewhere point out, he can produce his goods more cheaply, because he makes them in greater quantities than we can afford to do, he has his own markets to repay the interest on the capital he invests and can therefore afford to make little or no profit at first on his surplus stock, until he controls the trade, and then he well knows he will be able to squeeze those customers who have grown to be dependent on his goods.

BAD BUSINESS.

The foreigners, therefore, are able to dump down their surplus stock in our markets, to undersell our heavily taxed manufacturers, &c., and thus to crowd our goods out of our own country, and they, in return, tax our goods so heavily, that any attempt of ours to sell our goods in their markets cannot possibly be done at a profit to ourselves ; we are undersold in our own market, taxed heavily in foreign markets, and are generally doing bad business all round, the inevitable result is that our producers are financially unable to compete with the foreigners. Factories are shut up, industries dying out, workmen are unemployed, and the nation daily loses trade, daily sells less, and buys more, until, like the tradesman mentioned above, we shall have to put up our shutters and become bankrupt, or, of course, as an alternative, alter such an iniquitous state of affairs.

ALTERNATIVE BEFORE YOU.

This alternative is now before you ; consider it well. Our trade with our Dependencies is increasing, but not increasing with them with such rapid strides as is the trade of our foreign rivals, and the danger is that they, our Dependencies, may have such tempting offers made to them by foreigners that they *may* shut us out of their markets. *This is the danger*—guard against it by reciprocity with them, and do not *lose time*.

BAD RESULTS.

No wonder industrials are not favourites in our markets, and that investments are largely made in speculative stock ; no wonder so many home industries are suffering, and that we have such appalling lists of failures, so many bankrupts, so many paupers, so many millions, as Sir H. Campbell-Bannerman tells us, on the verge of starvation ; it is, my friends, due to this bad business, and we must alter it.

The facts and arguments following should be borne in mind, and each of you should, in reading them, recall the simile I have just given between an ordinary shopkeeper and the nation at large.

PROFITS MUST BE MADE.

Now the shopkeeper expects to make a profit, or else

he will lose money on the capital which he has to pay for his shop and his stock, and, unless his sales exceed his expenditure he is losing ground. In the same way, unless our nation is selling or exporting financially more than she is buying or importing, she, too, is losing ground.

If this loss is daily increasing, either to the shopkeeper or to the nation, no matter what reserve of wealth may be behind either, the certain result is bankruptcy ; in any case it is very bad business. Now we will suppose the shopkeeper has had an income of £200 per year left him and that his yearly loss is £100—for the sake of this argument we will assume that this loss is not increasing, but is a loss of a solid £100 per annum. Would he not say to himself : This is bad business ! I had far better shut up my shop, discharge my assistants, and live on my £200 income—for by keeping on my business I have only £100 to live on, and all the worry, care and anxiety of the business to attend to. He would certainly be right in his reasoning, and he would shut up his shop and discharge his employees (this is precisely what many of our manufacturers, shopkeepers, etc., have been obliged to do), and retire on his £200 a year. But how is it with England ? At the very least we are losing *every year* from 150 to 200 millions on our commercial business, and alas ! this loss is rapidly increasing. The value of the excess of the goods we buy over those goods we produce or manufacture and sell comes to an annual loss of £4 5s. per head of our

population, and the question arises how is it that we have been able to support this condition of affairs.

BECAUSE WE HAVE INHERITED A FORTUNE.

And what is this fortune? The fortune of the splendid return in trade made between 1800 and 1880, in the vast quantity of alluvial gold found in Australia between 1850 and 1880, as well as much that was found in California, and which found its way here. It is to this fat time, before the foreign invasion of our markets really began (in 1880), that gave us some 2,000 million pounds to invest in foreign securities, &c., and it is to the income derived from these investments that we owe our present ability to go on doing this bad business—but the time must come when we are unable to meet ever-increasing loss made in our commercial business. Already we are losing our securities. America is repurchasing hers, and no longer are we the financial centre of the world.

When we have Companies to bring out it is little use going to London now, or to English financiers, we turn to the German and American financiers, we study the chance of floating our Companies in Berlin, in New York, in Vienna, in Paris, &c., &c. What does the prolonged depression mean in our Stock Markets?—why the daily loss and daily bad business all round. It is because we are losing our trade and making bad returns.

MAKE THE FOREIGNERS PAY.

To begin with, we should make the foreigners pay for the use of our market, in other words, the use of our shop fronts and for the protection our roof affords them. 116 millions of manufactured goods were sent into this country last year, every pennyworth of which could and should have been manufactured by us or by our Colonies. Why should foreign goods not be taxed ? Why should not our revenue be increased at the expense of the foreigner ? Say we put a 33 per cent. tax on these 116 million pounds worth of goods—the country would make nearly 39 millions annually, *and the foreigners would pay these taxes*, not us ! Taxes could be taken off our eating commodities and cheap bread could always be sold to the poor.

THE FREE TRADERS' ARGUMENT.

The Free Traders at once say, “ Oh ! but that would increase the price of these commodities in England.” Precisely ; for a *time* it would increase the price, but only to those who could afford it. It is certain that in a very *short* time the price would drop to the former level at which it stood before the tax was put on, and the price would then become gradually less, as manufacturing competition gradually progressed. English manufactures would again spring into existence and into vitality after

being smothered by unfair competition which has been directed against them—the greater part of the millions of money now sent out of the country would be kept at home and spent among our labourers, tradesmen, and manufacturers, and the renewed hum of busy commercial life would resound through the land ; no more emigration of our young and healthy male and female population, no more talk of the decay of London as a port, no more danger from the unemployed.

GRAND FUTURE.

Not only that, but think if Australia would only do that which Canada has already done, given us preferential trade, think of our doubling our exports to Australia in five years as we have practically done to Canada since she gave us preference. Think of the renewed impulse to the commerce of Australia, Canada, India, &c., if we took all our food stuffs from them—shutting out the beetroot sugar of the Continent for good West Indian, Queensland, and Mauritian sugars, the coffee, tea, wheat, wool, meats, fruit, &c., and everything we want coming from our own Colonies and possessions, and they giving us in return, not only the use of their markets, but all their customs. Fancy exporting every year to Australia in the future 200 million pounds of manufactured exports. Well, the following pages will deal with the facts relating to the possibility of all this, but I cannot close this chapter without alluding to the tax on wheat.

WHY CANNOT WE PRODUCE MOST OF OUR WHEAT ?

The pros and cons on this question are fully gone into, as you will see, later on, but I assert that the placing of a tax on wheat or other imported goods which a country itself can produce, *has never*, no, not in one single instance, resulted in the permanent increase in price of that article ; the price has invariably and most assuredly fallen within a short time below the price at which it was to be purchased before the tax was placed on its importation.

TAXING IMPORTED WHEAT LOWERS PRICE OF BREAD.

Instances of this will be given later on, but I cannot refrain from giving one most important example on the taxation of imported wheat into our nearest neighbour, France.

	Average tax per ton on wheat entering France.			Average price of kilo loaf.		
1874 to 1884	6	francs=	about 5s.	39·9	centimes=	about 4d.
1884 to 1894	30	{ „ = „	24s.	34·3	„ = „	3½d.
	50	{ „ = „	40s.			
1894 to 1902	70	„ = „	56s.	31·7	„ = „	3d.

Could any figures be more conclusive—the taxation of imported wheat rose between 1874 and 1902 from 6 francs per ton to 70 francs, while the price of bread fell from 4d. per loaf to 3d. per loaf in the same period.

Now consider the French tax on imported meat :—

MUTTON.

			Tax per ton on Mutton entering France.				Price of Mutton per lb.
1891	..	..	£4 16s. 8d.	..	..	..	7d.
1892	..	..	£10 1s. 8d.	..	..	..	6¾d.
1893	..	..	„ „	..	..	..	6½d.
1901	..	..	„ „	..	..	..	6½d.

BEEF.

1891	..	..	£4 16s. 8d.	..	..	..	8¼d.
1892	..	..	£12 19s. 2d.	..	..	..	8d.
1893	..	..	„ „	..	..	..	7½d.
1901	..	..	„ „	..	..	..	8d.

Here, again, taxing foreign meats entering France, instead of increasing the cost to the consumer, has lowered it, while the home industries were encouraged and prospered, money was retained and circulated in the country, and a beneficial increase was given to the French National Income by taxing the foreigners, and mind you, readers, the French peasantry are the richest and most contented peasant class in the world.

The 4s. tax did not affect bread, neither would a 10s. tax do so, certainly not for long, and even if it did raise the price one farthing per loaf for a short time, by taxing foreign imports such as pianos, or any other luxuries, the Government could afford to pay the difference to the poor, either by taking off the taxes on other eatables which we import but cannot produce internally, or by keeping the price of bread at the same level at which it now stands.

A SUGGESTION TO BE REFUSED.

It will be seen from the arguments and the extracts following that other nations are not likely to become Free Traders, but it will be gathered that they are open to consider the advantages of reciprocity, and it is my opinion that should America not secure reciprocity with Canada (which she will fail to do if we only treat Canada *at once* in the generous manner she so thoroughly deserves), that America, who has gained all she could possibly hope to gain under past circumstances, will endeavour to secure a free market for herself by proposing reciprocity with England and her Colonies. This reciprocity would have been of some value to us fifteen years ago, before the Americans killed our trade with them in order to foster their own, but it would be decidedly a disadvantage to us at the present moment. Suppose that the hypothetical stranger, alluded to in my simile above, had, by the monstrous right allowed him for the time, not only planted himself in the tradesman's shop, but had acquired a considerable part of the worthy tradesman's business and business connections (which we could only retain while there), would the tradesman be such a fool, after having established the right to keep his own shop, his own counter, and his own window and roof to *himself*, as to listen to any suggestion from the intruding stranger to pay a proportion of the rent, &c., of the shop? He

would say, “ No Sir, out you go, you have made a profit simply owing to the use of my premises and I have now to make up for the years during which I have lost ground by paying rent, &c., for you. I have to regain my old customers whom you have stolen from me, out you go ! and when I have recovered my lost ground, then will I talk to you again about the advisability of a partnership.”

With these remarks I leave my readers to critically examine the facts and figures following, and to recall the similes used above.

CHAPTER III.

FREE TRADE.

AT the beginning of the last century the country was suffering from the effects of the French war, which, beginning in 1793, continued until the year 1815. The nation was brought to the greatest poverty by the continual drain on its resources. Its exchequer and its rural population were both depleted, but the country was otherwise in a healthy commercial state. The discoveries of Arkwright, Watt, Hargreaves and others, were giving England a practical monopoly of textile fabrics, and of other products nearly as important. We who, in the time of the French wars, supplied Napoleon's soldiers with the clothes they wore, are now receiving from France four times the amount of woollen fabrics we are sending her. England's supremacy at sea had been guaranteed by Trafalgar, hence the merchants and manufacturers of that day discovered that Protection for the time had ceased to be of any advantage to them. The reverse opinion was held by the landowners and farmers, who wished for the fullest protection in order to retain their very large profits and to *re-populate* the land depleted by the war, and the drifting of labour to the manufacturing districts. Before the middle of the last century, as pointed out by Mr. Otto Eltrybacher in the August number of the "Nineteenth Century," Great

Britain had practically the *manufacturing monopoly* of *the whole world*. The Germans grew to believe that our commercial position was unassailable (and so it was under Protection) but it was this proud belief that caused Great Britain to throw aside her fiscal weapons of Protection and to open her doors to all nations and proclaim Free Trade to the world. Frederick List, the great German economist, pointed out in 1840 in his celebrated work, that, though Great Britain was inclining to Free Trade, she had really become rich and prosperous owing to Protection. After a very long struggle the Corn Law, which was passed in 1815, was repealed in 1846 and Free Trade was established ; greatly due to the efforts for over five years of Bright and Cobden.

MEANING OF FREE TRADE.

Free Trade has proved a misfortune to both agriculturists and manufacturers. The country has been depopulated, the farming industry ruined, and our manufacturers are falling behind instead of leading the world, as they did then and hoped to continue doing. But what was the meaning of the word “ Free Trade ” to these men and to the nation at large in 1846 ? There can be no doubt on this subject. The language of the Free Trader was too emphatic to admit of any misconstruction, and it meant “ the *unimpeded intercourse*, between manufacturing and commercial communities, of separate financial systems, and under separate governments.”

COBDEN.

Speaking at Manchester on the 15th of January, 1846—the year in which the old Corn Law was repealed—Mr. Cobden said :—

“ I believe that if you abolish the Corn Law honestly, and adopt Free Trade in its simplicity, there will not be a tariff in Europe that will not be changed in less than five years *to follow your example.*”

On another occasion Mr. Cobden said :—

“ You might as well tell me that the sun will not rise to-morrow as tell me that foreign nations will not adopt Free Trade in less than ten years from now.”

This shows plainly that the Free Trade that Mr. Cobden cared for, and worked for, and expected to get as the result of his labours, was RECIPROCAL FREE TRADE—Free *Exports* as well as Free Imports.

We were to get reciprocal Free Trade in five years. We have waited nearly sixty years, and we have not got it yet ! Moreover, the commerce of the protected countries, especially our chief commercial rivals, Germany and the United States, is making such huge progress now, as against our huge losses, that they will never be tempted to follow our example. By commerce we mean the net results to a nation in its balance sheet of imports and exports—if the imports are of more value than its exports, then, in respect of that commerce it must be a loser and not a gainer.

MR. CHAMBERLAIN.

Mr. Chamberlain asked, at the outset of this awakening :—

“ Is it a fact that the exports of our manufactured goods to our own Colonies already exceed the total exports of our manufactured goods to all the Protected States in Europe and the United States of America ?

“ Is it a fact that our exports to these Protected countries are decreasing in quantity, and deteriorating in their profitable character ?

“ Would it not be better to cultivate trade with our own kinsmen and fellow-subjects, who take from us at the present time more than £100,000,000 in manufactured goods ?*

“ Shall we lose this opportunity for the sake of an attempt to conciliate 300,000,000 of foreigners, who take from us only a few shillings a head ? ”

These questions are more or less discussed in the following pages and should therefore be borne in mind.

LOSING OUR LEAD.

I cannot do better than quote the Board of Trade returns issued on August 11th this year. In the first place they show that we are on the point of losing our position in being the greatest exporting nation in the world. They also show clearly the difference between successful commerce and unsuccessful commerce. The exports for Great Britain during the first six months of 1902 were :—

*We obtain 152 millions worth of foodstuffs from foreigners, and only 40 millions from our colonists and possessions.

Exports of Great Britain, first 6 months, 1902	..	£135,376,000
„ United States „ „	..	129,903,000

Great Britain was leading by £5,473,000

This year the States are nearly up to us :—

Exports of Great Britain, first 6 months, 1903	..	£142,523,000
„ United States „ „	..	141,947,000

Great Britain was only leading by £576,000

We had, therefore, in one year's time lost our lead during six months' trade of £4,897,000, or, at that rate, a loss for the year of £9,794,000 ; we are now, therefore, only £576,000 ahead of the States, which, being a highly protected nation, is increasing its exports by leaps and bounds. The next six months' returns will undoubtedly show that she has beaten us ; as it is, in one year we lost over nine-tenths of our lead. But how do the imports of the two countries compare with their exports ?

ENORMOUS LOSS IN COMMERCE.

Well, the total imports into Great Britain for the first six months of this year were £260,530,889, while our total exports were £179,570,493—that is, we Britishers sold £81,959,396 worth of goods less than we bought. If we deduct from our exports coal and its products, we find that we made a loss of £95,204,744 for the first half of the present year, and it is worthy of notice that the paupers of the metropolis on the 1st of January of this year were 3 per cent. above the average of the preceding five years.

ENGLAND'S LOSS, AMERICA'S PROFIT.

The States imported £106,757,000 as against their exports of £141,947,000. The States therefore made a

profit of £35,000,000 while England made a loss of £95,204,744; theirs is sound commercial business, ours is unsound and ruinous business—and remember these returns are only for six months. Their exports are increasing in value in proportion to their imports, while ours are decreasing in value in reference to our imports.

AMERICAN STATISTICS.

The American statistics of exports just published, however, would seem to show that she has already outstripped us, while Germany, at her rate of increase during the last 12 years, must exceed us in less than 8 years from now. The figures following are in millions :—

	1870.	1880.	1890.	1902.
United Kingdom -	194	217	256	276
United States -	75	165	169	278
Germany -	110	137	158	223

Ships sold are not included in these figures, but coal is included.

Now, if we take these American figures of our exports as being correct and deduct from them the coal and its products which we sold abroad in 1902, the value of which was $27\frac{1}{2}$ million pounds, we find we exported $29\frac{1}{2}$ million pounds less than the Americans, and were not far ahead of the German exports.

United Kingdom. American. Germany.

Exports, 1902. £248,500,000 £278,000,000 £223,000,000

COAL.

Coal should be deducted from our exports when

considering the benefits derived from our export trade, and a continuance of these benefits, for these reasons :— Coal is irreplaceable ; the supply in England is limited ; the exports of coal are, unfortunately, larger, and the date of its exhaustion much nearer to us than for these countries. It is more absolutely necessary to us than to these other countries, and is an important part of our capital. It is of vital importance to England to economise it, and no coal should be permitted to be sent out of our country. What are we to do when it has become exhausted ? Instead of showing a permanent benefit to this country, its export from the country is a certain loss, and a menace to our future welfare, and for this reason it should not be reckoned when calculating the gains we make on our trade as a nation.

ANNUAL LOSS PER HEAD INCREASING.

Now how does this bad business affect each man, woman, and child in the United Kingdom ?

In 1872 the value of our exports per annum amounted to over £8 per head of the population.

In 1902 the value of our exports, instead of increasing, had fallen to £6 15s. per head, and if we exclude the value of coal and its products from our exports this value had fallen to £6 per head, in other words we sold £2 less per head in 1902 than we sold in 1872. On the other hand the value of our imports in 1872 amounted to £9 8s. per head of the population of the United Kingdom. In 1902 our imports had risen in

value to £11 per head, that is, we as a nation bought £1 12s. more goods per annum in 1902 per head of population than we did in 1872. Thus we see that while we as a nation have been losing ground during the last 30 years as regards our exports to the extent of £2 per head per annum, we have been increasing our expenditure per annum in the same time by £1 12s. per head for every man, woman, and child in the United Kingdom.

The excess of the goods we purchased in 1872 over the goods we sold in that year came to a value of £1 8s. per head, this loss has gone on increasing since then until the loss per head in 1902 came to £4 5s., or £5 per head if we deduct the value of coal and its products from the value of our exports.

We are losing, therefore, every year £5 per head, and the most dangerous fact is that this loss is increasing year by year. Is there any wonder, then, that business is bad, our trade falling off, the unemployed increasing in numbers, that 12,000,000 of our population—as Sir H. Campbell Bannerman tells us—are on the verge of hunger, or that we have to support 1,400,000 paupers.

The above facts show the extreme danger of listening to either the ignorant or dishonest doctrines of the so-called Free Traders, Little Englands, and domiciled foreigners who, by their sophistries, endeavour to lull their listeners into a sleep of indifference under the impression that they as a nation are holding their own in commerce and prospering more and more each year under so-called Free Trade.

CHAPTER IV.

A PROGRESSIVE COMMERCIAL POLICY.

FREE TRADE WITHIN THE EMPIRE is Mr. Chamberlain's ideal, and his proposal of reciprocity with the Colonies is the first necessary step in this direction, and briefly means that we are to use their goods if they will use ours, and that the Empire is to combine to protect and foster the articles which each part is capable of producing.

MISTAKEN IDEALS.

It has been said that Cobden declared that unless the whole world within ten years followed the example of England and adopted Free Trade he would admit the great mistake of forcing it on England. Cobden was most mistaken. His ideals were grand, but his experience of the world small and his commercial abilities less, but Cobden was honest and sincere, and were he alive to-day he would be in the front rank of those who endeavour to rescue England from the result of the failure of these ideals. It is not my voice you would hear protesting against the abominable use of the words Free Trade and urging you to protect your industries. No ! It would be his. Free ! Good heavens ! Is it freedom to have the entry of our goods into every other country prohibited to the greatest extent possible by hostile tariffs ? Is it freedom that,

when we propose to enter into the true meaning of the word with our Colonies, our Empire is to be threatened, as it practically is by the Germans, with war? and when our loyal Colony Canada reciprocates our ideals of Free Trade that a country like Germany, who owes its trade and wealth to *our* suicidal policy of so-called Free Trade, has the temerity to penalise our Colony by specially hostile tariffs, and threaten us with something more than fiscal war because our Colony ventures to carry out the ideas of Cobden, &c. I know that if a son of mine, following out the precept and example of his mother or myself, was chastised in the street for so doing by any of my neighbours, that I should most certainly take the law into my hands and punish the neighbour in my own fashion, and I am certain that I should be justified in doing so. What is to stop us punishing Germany by placing a tax on German pianos, and taxing their wretched beetroot sugar, &c., &c.? It would bring us in a big revenue, foster our own trade, and hurt no one but Germany—and serve her right. I shall deal with the piano question further on.

THE UNITED STATES AND CANADA—CAMPAIGN FOR RECIPROCITY.

ONE RESULT IN THE UNITED STATES OF THE BRITISH TARIFF AGITATION HAS BEEN, says the New York

correspondent of the "Manchester Guardian," TO STIR UP OUR NATIONAL RECIPROCITY LEAGUE TO RENEWED EFFORTS TO EFFECT A COMMERCIAL TREATY WITH CANADA. THE HEADQUARTERS OF THIS ORGANISATION ARE AT MINNEAPOLIS, AND A CIRCULAR LETTER FROM ITS PRESIDENT ANNOUNCES A PLAN TO RAISE A FUND OF £100,000 TO PUSH THE RECIPROCITY CAMPAIGN. THERE IS ALSO TO BE A COMMITTEE OF FIVE MEN FROM EACH STATE. ESPECIAL EMPHASIS IS LAID UPON THE NEED FOR HASTE, LEST THE CANADIAN MARKET BE LOST BEFORE THE UNITED STATES MANUFACTURERS ARE AWARE. A SPECIFIC REFERENCE TO THE ENGLISH DISCUSSIONS IS CONTAINED IN THE PHRASE: "NO DOUBT IF CANADA IS NOT DRAWN CLOSER TO THE UNITED STATES COMMERCIALLY SHE WILL BE TO ENGLAND."

The great benefit which English manufacturers, and, consequently, English workmen, have derived from Canada's attempt to help us and foster Cobden's ideas of Free Trade by giving our goods preference over those of Germany and America, &c., is shown in the following figures, which are taken from the Board of Trade Statistics just issued (August 14th, 1903):—

In 1897 Canada allowed us a rebate, that is, charged us one-eighth less duty than the duties she imposed on other countries.

In 1900 she increased this preference to us by allowing us a rebate of one-third of the duties imposed by her on imports into her territories.

Before 1897 our imports had been gradually falling.

English exports to Canada, 1892	..	..	..	£8,269,000
„ „ „ 1897	..	..	..	£6,043,600
We thus see that in five years they had fallen				£2,225,400

Since then, owing to the preferential rebate—

English imports in Canada in 1900 had risen to	..	£9,203,369
„ „ „ 1902	..	£10,114,579

In these six years elapsing—

From 1897, when our exports there were	..	..	£6,043,600
To 1902	„	„	£10,114,579
Our exports to Canada had risen	..	..	£4,070,670

No doubt the Free Trader and the Little Englander will, with this object lesson before him, still declare that reciprocity with our Colonies is unnecessary, that we do not want them, &c. ; but, though they may be able to blind themselves, I do not think they can manage to throw dust in the eyes of the public. Germany and America at any rate do not minimise the loss.

Remember this truth, that

TRADE FOLLOWS THE FLAG,

and should be protected by it, therefore don't let foreign flags wave over the market which should be ours.

THE MONTREAL CONGRESS.

FURTHER DEBATE ON THE FISCAL PROPOSALS.

(PRESS ASSOCIATION SPECIAL.)

Montreal, August 20.

When the Congress of the Chambers of Commerce of the Empire resumed its sitting this morning the debate on commercial relations with the Mother country was continued.

TEXT OF RESOLUTION ADOPTED.

The Resolution, as amended and adopted, read as follows :—

“ It is resolved that, in the opinion of this Congress, the bonds of the British Empire should be materially strengthened and the union of the various parts of His Majesty's dominion greatly consolidated by the adoption of a commercial policy based upon the principle of mutual benefit, whereby each component part of the Empire would receive substantial advantage in trade as the result of national relationship, due consideration being given to the fiscal and industrial needs of the component parts of the Empire.]

“ That this Congress urges upon His Majesty's Government the appointment by them of a special Commission, composed of representatives of Great Britain and her Colonies and India, to consider the possibilities of thus

increasing and strengthening the trade relations between the different parts of the Empire and trading facilities within the Empire and with foreign countries.”

SIR CHARLES DILKE.

Now listen to what your Free Trade advisers tell you. Sir Charles Dilke, at the Annual Dinner of the Gloucester Liberal Club, said the Government had shrunk from advocating a duty on cotton, the largest export of the United States, but were going to propose a duty on grain and meat, which gave us food (adopting the unfair and dishonest methods of the so-called Free Traders, he, of course, omits referring to the Government proposals to take off an equal amount of duty on tea, coffee, sugar, and tobacco, which also gives us food). By interfering with the trade of the United States we were weakening one of our greatest securities in a general war, because her fleet would protect the rights of neutrals, who, in the last resort, would feed us while we were fighting.

This politician forgets we might go to war with America, and also that the trade with America will most assuredly be interfered with when we no longer have sufficient purchasing power to encourage it ; forgets also that had the hopes and prophecies of Cobden (see pages 76 and 77) been realised that we should now have in Great Britain some 9 million acres under wheat (instead of $1\frac{1}{2}$ millions), which acreage would supply all the wheat we need.

In any case it is wiser to rely on the help of our fellow subjects.

At present we get only £39,000,000 worth of food stuffs from them, as against £152,000,000 from foreigners. It is certain that with a sound Fiscal Policy this state of things would alter with profit to our Colonies and great benefit to ourselves.

NAVY LEAGUE.

In a circular published by the Navy League the following points are made :—

1. The experience of the Napoleonic and Crimean wars, during which, though we possessed full command of the sea, the price of wheat rose enormously.

2. As late as the Crimean war we were almost self-supporting, but we now import four-fifths of our wheat.

3. The chief source of supply is the United States. But the price of wheat on the American corn market can be raised artificially, and in the event of a European war in which Great Britain was involved it is quite possible—indeed, probable—that it would be so raised.

4. The corn trade on both sides of the Atlantic would expect to make war profits on a scale commensurate with war risks.

5. The capture of a few food ships, such as, having regard to the relative strength of our navy, appears inevitable, would still further drive prices up.

It is not possible to specify the height to which the price of wheat, and consequently of bread, would rise, for it would depend upon the degree to which it was influenced by each of the five factors enumerated.

Taking, however, into account the vast importance of the question of our food supply in time of war, we feel that the country ought to know that, in the opinion of corn merchants, it must, in the event of such a war, prepare to see wheat, and consequently bread, at what would be to the poor, famine prices.

If we fear America while we have our Colonies, Canada, &c., loyal and willing to help, what shall we do when we have lost them (as we shall do unless we enter into reciprocal relations with them) ? It is imperative, therefore, that we should not depend on foreign nations for our food supply, we should endeavour to be as nearly self-dependent as possible, and to rely on our own Possessions for those articles which we cannot produce.

Canada can supply us with all the wheat we want, if necessary ; and, judging by the way her sons fought for us in Africa, she is quite capable of keeping the route open between herself and England.

Forgetting all these points, Sir Charles Dilke urges that we are not to adopt a policy of Protection (with which he apparently cannot otherwise find fault) because we may offend the States. Did McKinley study our feelings when he penalised our goods and imports into the States, or did this imperil the good feeling of England towards America during the American-Spanish War ?

CHAPTER V.

NEARLY 60 years have passed since the declaration of Cobden was made, and has the world followed our lead ? No, a thousand times no ; there is no other country, colony, or community that has examined the thing we now call *Free Trade*, that has not condemned it as an impossibility.

THE HUB OF THE UNIVERSE (60 YEARS AGO).

In Cobden's time an Englishman's education taught him to believe that Britain's supremacy in battle, trade and sport was indisputable, that England on land and sea was invincible, that her religion was the purest, and her virtues the strictest, and her daughters the loveliest and best ; that England was, by God's special recognition, the chosen land to people not only this earth, but Heaven afterwards, and this belief led to Free Trade. However right or wrong this assumption was, it is unfortunately a fact that this style of education has, to a large extent, been followed up to the present, and it is hard to get an Englishman to regard himself save from the standpoint of his education, his literature, and the press.

SIR WILLIAM PREECE.

He cannot believe that "we are beaten" as Sir W. Preece told me on November 19th last year,

that it was because of the fallacy of Free Trade, as we call it, and want of commercial patriotism. Many an Englishman will not see that his sacred fetish of so-called Free Trade is condemned by the whole world, and he refuses to listen to the opinions which other nations hold as to this incredible folly, refuses to grasp the fact that the national position is one of great danger, and that only the spontaneous burst of loyalty, excited in the breast of the nation by the Boer War, averted the fiscal crisis which has long been threatening ; no, he turns to the false statistics and statements published by some such collection of foreigners and Little Englanders as the Cobden Club, and hugs to himself the belief that we are still supreme on land and sea, in virtue, art, courage, industry, commerce, public purity, patriotism, learning, and manufactures. If he occasionally sees a warning note—a line of criticism in his daily paper—he laughs ; it is so rare, it cannot be true—mere jealousy.

GEORGE MEREDITH.

George Meredith told us this year, February 2nd, in the “ Manchester Guardian ” that we have yet to be instructed in Imperial principles, for, says he, “ England has acquired an inheritance she scarcely understands how to use.” We must, he further tells us, be wise and far-seeing ; “ only the men who are masters of themselves and who have the instincts of self-sacrifice can ever hold Empire.”

RHODES.

This is what Rhodes said in 1890 :—

“ I note with satisfaction that the Committee appointed to enquire into the McKinley Tariff report that in certain articles our trade has fallen off 50 per cent., and yet the fools (ourselves, my dear friends) do not see that if they do not look out they will have England shut out and isolated with forty millions to feed and capable (at present) internally of supporting about six millions. If they had had statesmen, they would at the present moment be commercially at war with the United States, and they would have boycotted the raw products of the United States until she came to her senses. And I say this because I am a Free Trader.”

The following letters may be of interest at the moment :—

MR. CECIL RHODES AND FISCAL POLICY.

TO THE EDITOR OF “ THE TIMES.”

Sir,—The preferential tariff, embodied in the Customs Convention, having been passed in both Houses of Legislature in this Colony, the enclosed letters, written by Mr. Rhodes more than 12 years ago, may prove of interest to your readers, more particularly in view of the attention which is now being devoted in England to proposals similar to those put forward at that time by

Mr. Rhodes. The letters, copies of which I enclose, are in Mr. Rhodes's own handwriting, and were found amongst his papers after his death, and are evidently copies of communications sent by him shortly after he became Prime Minister, for the first time, to the Premiers of the Dominion of Canada and of New South Wales.

I am, &c.,

Cape Town, Aug. 12.

L. S. JAMESON.

(Copy).

Cape Town, 8th May, 1891.

Dear Sir,—I wished to write and congratulate you on winning the elections in Canada. I read your manifesto and I could understand the issue. If I might express a wish it would be that we could meet before our stern fate claims us. I might write pages, but I feel I know you and your politics as if we had been friends for years. The whole thing lies in the question, Can we invent some tie with our Mother country that will prevent separation? It must be a practical one, for future generations will not be born in England. The curse is that English politicians cannot see the future. They think they will always be the manufacturing mart of the world, but do not understand what protection coupled with reciprocal relations means. I have taken the liberty of writing to you, and if you honour me with an answer I will write again.

Yours,

C. J. RHODES.

Sir John Macdonald, Prime Minister, Canadian Dominion.

P.S.—You might not know who I am, so I will say I am the Prime Minister of this Colony—that is, the Cape Colony.

Cape Town, May, 1891.

Dear Sir,—You will excuse the liberty I take in writing to you, but I wish to congratulate you on your success in the initial stages of federating Australia. I must say I do not like the title of “Commonwealth of Australia” ; it indicates a desire for separation, and I would have liked to see you keep the appeal in law to the Privy Council with the condition that at least one Australian Judge should be a Member of the Privy Council. I recognize that in the future, if we remain a part of the British Empire, which is my present hope, we must receive special consideration from the Mother country. I do not know whether you have considered the question of preferential consideration as to our products, but I believe if we were united in our views we would obtain such a consideration.

Yours, C. J. RHODES.

Sir Harry Parkes, Prime Minister, New South
Wales, Australia.

P.S.—I will explain my reason for writing. I am Prime Minister here. I think if you would change the name to the Dominion of Australia, out of regard to the English people, you would enormously strengthen our demands for preferential consideration as to our products.

SEDDON.

Hear, also, what Mr. Seddon tells you :—

“ The actions, protests, and alarms of those nations who have closed their markets to us, and who are now actively invading and waging war on British trade, are a sufficient proof that the matters indicated in Mr. Chamberlain’s and the British Premier’s speeches require immediate attention.

“ New Zealand is acting on the same lines, and supports Canada. Germany’s attitude is a blessing in disguise.

“ The high wages and improved position of the working classes, the profitable investments of capital, and the extraordinary increase of industry, trade, and commerce prove that countries can flourish that do not exist under the so-called misnamed free trade conditions of Great Britain (*see* Lord Salisbury’s speech in South London, reported in the “ Times,” November 5th, 1885).

“ I endorse entirely these views on preferential trade, which is a safe chart, and will strengthen the Mother Country and her Colonies, draw them closer together, and bring other nations into line who have raised barriers and closed their markets against Great Britain and her Colonies.

“ I address my constituents next week, and will deal fully with the situation from the Colonial standpoint.”

LORD SALISBURY.

In the course of the speech to which Mr. Seddon

refers, Lord Salisbury said that "if we were able to threaten with retaliation a foreign country which treated our manufacturers badly, it might cause that country to reflect on its action." He added :—

"We are forbidden to do it because retaliation is a mortal sin under this doctrine of Free Trade. I utterly deny that the *true doctrine* of Free Trade has anything to do with it. War is a bad thing. We would abolish it if we could, but war is our only way of defending ourselves from wrong. Why is it wrong to make war in dealing with our fiscal duties when it is not wrong to in other international relations? Of course, it must be done with prudence."

Lord Salisbury also said :—

"What I demur to is that you should be forbidden from entertaining the idea of differential duties in favour of the Colonies, as though it were an economical heresy. To narrow down the internal custom houses which separate one province from another has always been looked on as the first duty and the earliest triumph of Free Trade. What difference does it make if these custom houses happen to stand on the sea shore?"

UNARMED.

Precisely how long would any nation *exist* who, in spite of the protective and increasing armaments of surrounding countries turned *its own* weapons into ploughshares? No time, my friends, no time; and how long are we going to exist in these fierce days of trade competition

when we destroy our only weapon, our only armour, and go unprotected ?

The truth of Lord Salisbury's contention is evident from the following extract from the

“BERLIN POST.”

It contains an article on the fiscal question in the British Empire, in which a semi-official writer thinks it perfectly evident that the whole British Cabinet are behind Mr. Chamberlain, and that therefore it would have been a direct tactical mistake to irritate England. He believes that the people of England, even the workmen, will favour Mr. Chamberlain's plans. England, he points out, is only seeking to do what has been done by every other country. He thinks that tariff wars are highly improbable, and that it may be hoped, as regards international trade, that it will be possible to find a *modus vivendi* during the process of the development of Protection in England.

The “Post's” article may be regarded as reflecting the views of the Government, which, above all, desires as quietly as possible to avoid a fighting issue with Great Britain at present.

INDIA.

Hear what India says :—

The triumphant success of the countervailing sugar duties, in which India led the way, and the indignation caused by the recent threat of France to pinch the Indian

coffee industry by means of tariff discrimination, prepared the general public here to welcome on Imperial grounds Mr. Chamberlain's tariff proposals by which the vast Indian market could be secured to British manufacturers.

The "Calcutta Englishman" says :—"A great commercial empire, with England as the trading centre of Canada, South Africa, Australia, and India, is a splendid one." The "Pioneer" remarks on the blind adherence to shibboleths which characterises the Liberal Party in the matter.

FOOD SUPPLY.

There is great and serious danger in depending on foreign nations for our food supply. This danger is recalled to us by a parallel in Roman History. During the decline of the Roman Empire (Gibbon) the people of Rome became dependent on Egypt for their corn, the result being that Egypt absolutely controlled the people and senate of the Roman capital, for had not they the power of starving the effete Roman into submission? Both for the Romans and for us such a policy is bad in every way. Look at our position now as regards cotton.

COTTON.

Instead of fostering our wonderful cotton-growing capabilities in our own Empire we have been weakly depending on the States for their cotton, and what is the result? We have, in the first place, sent thousands of millions of pounds into the States for a commodity

our dependencies are capable of producing and to whom a very considerable part of these millions should have been sent. We have taught the Americans the value and art of textile manufacture ; they are now our most formidable rivals in cotton stuffs. Last year, I am informed, they erected over 200 new cotton mills, and the power they hold over our industries must be evident when we feel the squeeze they are now putting on us and realise, as we do, that, should they choose, as they well may do, at any moment, to put an export duty on their cotton, they have us at their mercy, and may at their own pleasure wreck our linen industries and bring starvation and disaster on millions in England. This power we have given them because we have been blindly indifferent to the necessity of being as a nation independent of foreign support.

Mr. William Fox, Manager of the Chartered Company, has just sent me the following notes :—

“ The latest cotton sample grown in Rhodesia was valued by cotton brokers at Liverpool at $7\frac{1}{8}d.$ per lb., or $\frac{3}{8}d.$ per lb. more than middling Orleans.”

“ Of numerous samples of cotton sent over, the reports and valuations have been, almost without exception, highly favourable.”

EMPIRE COTTON.

Lagos, Wednesday, Sept. 2.

There has been a wonderful development of the cotton trade in the interior. The railway has already

found it necessary to put on extra trains to bring down the large supplies to the coast, and there is every prospect of a further increase in the amount raised for export.—*Reuter*.

Mr. William Evans, a Liverpool cotton expert, has left for Lagos as the first representative of the British Cotton Growing Association, to superintend reaping the first cotton crop grown in West Africa for Lancashire.

Mr. Evans expects the crop to reach 3,000 or 4,000 bales. The seed was sown in June last, and the first consignment will reach Liverpool by Christmas, and the whole of it by next March. He estimates that in the Lagos Protectorate and in Western and Southern Nigeria there are 29,000,000 acres of cotton-growing land, which is equal to the cotton zone of the Southern States of America.

AMERICAN TRUSTS.

As another instance, take the strong hold the American Beef Trust has obtained upon our market. This great combination, which is backed by unlimited capital, owns or controls not much less than 600 shops in our large towns, while in every important centre of population it has distributing agencies.

Having thus gained its market, it is getting to work after its own fashion to make the British consumer *pay for its kind attentions*. Expelled from the United States through the extreme unpopularity which its

operations drew down upon itself, and through the vigorous intervention of President Roosevelt, it has fallen back upon England and proposes to exploit the placid Briton to the utmost. Already, thanks to its efforts, the price of meat has risen everywhere, inflicting *great hardship* upon the poorer members of our population, and we may rest absolutely certain that in time *further twists* will be given to the screw by which profit is extracted from our British pockets.

The Trust stands in the strongest position and is evidently aiming at the creation of a monopoly in its hands. The usual tactics will be employed. British firms will be "frozen out" if they will not come into the combination on the Trust's own terms, by the simple process of putting prices down until their business does not pay. The consumer may for the *moment* gain in reduced prices, but in the *long run* he will have to pay for a few months of cheap meat.

This country is now beginning to reap the consequences of allowing its agriculture to go to ruin. The experience of many years led us to believe that plenty would always rain in this happy land. But we forgot that if we became entirely dependent on the foreigner, the foreigner would have an *opportunity* sooner or later, *of making us pay for that dependence*. It is worth notice that other countries which have watched with greater care over the welfare of their farmers and stock raisers, have not had to complain of the operations of the Trust. For the last two years, in spite of *a duty on*

imported cattle, France and Germany have paid less for their meat than England. Price of beef in England, 9½d. to 8¼d. ; Germany, 7¾d. ; France, 6½d. ; America, 7d. That is a point for our economists to mark and inwardly digest.

EGGS AND POULTRY.

Take a small item, say eggs and poultry. At a recent meeting of agriculturists, the Duke of Portland pointed out that Foreign and Colonial Governments encouraged the poultry raising industry, while in this country the farmer was left to his individual resources, and as a result £86,000,000 had been paid to foreigners during the past *twenty years* for eggs and poultry alone.

CHAPTER VI.

SAMUEL UNTERMEYER.

WHO SAYS, "We, the Americans, are well satisfied with the outcome of the hard-fought struggle between the advocates of Free Trade and Protection in our country, and are more than ever convinced that the policy of Protection to which our country is now absolutely committed for all time to come, is at the foundation of our prosperity. Our only fear is that the tendency of continental countries to adopt the same policy, may, in the near future, reach Great Britain, and thus close to us one of our most important markets, and one which we have been hoping to develop in the years to come. Germany has, within the past few years, furnished us with an object lesson, which has seriously disturbed our composure in the possibilities of a protective tariff, and the extent to which she can close her markets to us to her advantage and our injury . . . My experts were amazed at the strides that had been made in Germany in a few years under the stimulus of Protection. With the profits they had realised from the control of their own markets they had modernised their plants, improved their tools, and so placed themselves that they were able to make better goods at less prices. The same conditions were found in other lines of trade. Germany is temporarily suffering from lack of capital,

due to the rapid expansion of her trade, as we in America suffered from 1893 to 1897 ; but she is rapidly growing out of her troubles. Then will come the real industrial struggle, and it will be between Germany and ourselves, with Great Britain a *poor third* in the race, with the prospect of being out of it unless she reverses her policy *without delay*.

“ Great Britain is at a great disadvantage, as against countries with a Protective policy, in the making of treaties for reciprocity in trade. She has no concessions to offer in return for the concessions she asks. Nothing but the fear that she may see the light and retaliate secures her anything like fair treatment. *If* her Protectionist rivals *could* be assured that she would continue in her present course, she would be *traded out* of the markets of the world by the countries whose tariff restrictions enable them to offer an equivalent for concessions they ask as against her.”

LORD PLAYFAIR.

I prefer to agree with Lord Playfair, who said, in 1891 :—“ If the Americans be right in principle, and if they be successful in practice, the whole policy of the United Kingdom is founded on a gigantic error, and must lead to our ruin as a commercial nation.” Assuredly both America and Germany have been “ successful in practice.”

FRANCE.

Hear also, the latest utterances of Senator M. Pauliat, the Chairman of the Permanent Committee for the Development of French Commerce.

M. Pauliat, in the course of an interview, declared that, in his opinion, the export trade of France was going to be very dangerously menaced by the new economical policy advocated for some time in England by Mr. Chamberlain.

“You must not think for a moment,” added the Senator, “that the ideas put forward by the British Colonial Secretary are visionary, transient, and unpremeditated. They are nothing of the kind, and for my part I am convinced not only that Great Britain will fall in with Mr. Chamberlain’s views, but also that, in the position in which she now is, she cannot do otherwise.

“Should she not follow the Colonial Secretary, in a few years there would be nothing left her in the matter of industrial life but her carrying trade. It is essential for her to keep her own markets for herself, just as the United States, Germany, and France and other countries have done. It is to obviate as much as possible our national industry, suffering too much from the position in which it will be placed, that some friends and myself thought of founding our group.”

England has been the laughingstock of the astute Germans, who have been able, by fostering this so-called Free Trade in England, to take advantage of our own

open door in adopting methods which may redound to their credit as smart business people and yet never hesitating at perpetrating and encouraging any unscrupulous action which dealt a blow at our trade in favour of their own. It is to the German interest, far more than the States, to see our industries fail, it should be to our masters' and our men's interests to see every industry which we can promote going healthily along.

FREE TRADE CONDEMNED IN GERMANY.

The recent elections in Germany show that Free Trade is condemned there. The mouth-piece of the Cobdenites there is Theodore Barth, who has lost his seat.

If the Cobden Club was earnest and sincere, then I would forgive it for trying to promote Free Trade in Germany and on the Continent, and it might perhaps account for the vast majority of Germans who are admitted to its membership. The hopelessness, however, of inducing other nations to follow the lead we have given them, or of our being able, as Cobden thought 60 years ago, to obtain universal Free Trade, should now strike the English members of the Cobden Club were they honest, and they should not allow their names to be attached to a so-called club, which is now trying to add to its membership in order to take off the reproach of being mostly a collection of Germans bound together for the purpose of blinding this nation to the

true meaning of Free Trade, and whose methods and maxims are as old-fashioned as they are now misleading. (See pages 132 and 133).

COLONIAL PREMIERS.

Hear what the Colonial Premiers, the chosen and shrewdest men of Australia, say.

In *July, 1902*, the Colonial Premiers at the *Conference in London* passed unanimously, Resolutions :—

(1) Recognising that the principle of preferential trade between the United Kingdom and His Majesty's Dominions beyond the seas would stimulate and facilitate mutual commercial intercourse, and would strengthen the Empire.

(2) Declaring it to be desirable that all the Colonies should give preferential treatment to the products and manufactures of the United Kingdom.

(3) Respectfully urging upon His Majesty's Government the expediency of granting in the United Kingdom preferential treatment to the products and manufactures of the Colonies.

By this week's mail from New Zealand we have reports of the speeches by Mr. Seddon and his principal lieutenant, Sir J. G. Ward, on Mr. Chamberlain's preferential trade proposals.

The New Zealand Premier hails the new departure with unbounded enthusiasm. During the past twenty years, he says, British trade has increased by only

sixty-seven millions, whereas American trade has increased by *six hundred millions*, and Germany's commercial expansion during the same period has been *equally remarkable*.

AMERICA.

The important American paper "The World" says :—

"What Mr. Chamberlain proposes is not Protection, but reciprocity among forty—say rather three hundred millions—million people. It is the policy which Mr. Blaine recommended for his country, and Mr. McKinley urged in his last and greatest speech. For us in America Mr. Chamberlain's speech can but emphasise the fact that if our prosperity is to continue we must cement trade friendships by reciprocity."

Hear also, how the United States Consul at Liverpool, in his annual Report, points out the great decline of British trade during the last years.

He says that large numbers of well-informed people believe that Great Britain in the near future will be relegated to the *third position* in the *ranks of the world's trade and commerce*.

It is conceded, he says, that in manufactures Great Britain within the last few years has failed to meet the competition of the United States and Germany, and fears are expressed that even in the carrying trade the supremacy of Great Britain is threatened.

SHIPPING.

Our superabundant shipping fails to pay. See the Morgan deal, which would not have been effected unless the directors had realised the losing trade, &c., was not the activity of the New York trust "kings" brought about by the steady growth of German shipping.

A few years ago the bulk of the carrying trade was in British hands. Last year all the British ships together only carried 92,000 steerage passengers as against over 110,000 by one German line alone, the North German Lloyd, and just on 100,000 by another German line, the Hamburg-American.

Each year shows an amazing growth in foreign shipping. For instance, the North German Lloyd took from Northern Europe (excluding its Mediterranean service) to New York 64,698 passengers in 1900, 76,804 in 1901, and 81,074 in 1902.

The British line which comes out best in comparison is the White Star. It took 29,370 passengers in 1900, 30,483 in 1901, and 40,225 last year.

CHAPTER VII.

MR. CHAMBERLAIN.

MR. CHAMBERLAIN said in one of his speeches :—

“ First among these questions was that of preferential tariffs, a policy not inaugurated by us, but by the Colonies. A conference of the Colonies of South Africa had offered a preference of 25 per cent. on dutiable goods to the Mother Country, and the Australian Prime Minister had agreed practically to a similar proposal. These offers were largely dependent on the experience of Canada. In 1898 Canada freely and voluntarily offered us a preference of 15 per cent., which she has since increased to $33\frac{1}{3}$ per cent., and our trade in Canada had enormously increased from *six and a-half millions* in 1897 and 1898 to *eleven millions* during the present year. Now Canada was *prepared to go further* and offer us further advantages, especially in regard to *goods* in which we entered into *competition* with the *foreigner*, if we would give her a drawback on the *small tax* of a *shilling per quarter*,* which we had put upon grain. *That offer* we had to *refuse*, because *our fiscal policy* bound us to keep our market *open for all the world*. Even though other nations closed their markets against us, so long as that was

* Equal only to a yearly tax of 8*d.* per head on each inhabitant of the British Isles.

our fiscal policy we could not offer any favour to our own children, or make any difference between those who treated them well and those who treated them badly. (Shame).

“ That was the accepted doctrine of the Free Traders, and they were all Free Traders. (No, No.) Well, he was. (Laughter). But he had considerable difficulty in accepting their interpretation. If they persisted in it they would in all probability lose the concessions already made by Canada. It was said we were bound to refuse the kindnesses Canada offered us because Germany objected, and Germany had penalised Canada for offering it by placing an additional duty on Canadian goods. This was Germany’s policy of reprisal, and was intended to delay other Colonies from following her example.

“ A HUMILIATING POSITION. This policy of dictation and interference was justified by the belief that we were wedded to our present fiscal system, under which we were compelled even to leave our Colonies to bear alone the brunt of foreign hostility. This was a most humiliating position, the consequences of which it was difficult to predict. How, in the face of it, could they ask the Colonies to bear their share of the common burden of Empire, as they shared its privileges? Because they would naturally ask what the privileges were. Was that Free Trade? (No.)

“ The position was a new one, and they must face it as such. He did not believe that Cobden, *who made a*

preferential treaty with France, and Bright, who thoroughly approved of it, would endorse such a narrow construction of Free Trade, or that they would under the circumstances have hesitated, had they been alive, to make such a treaty of preference and reciprocity with our own children in Canada."

TRADE WITH YOUR OWN PEOPLE.

"Do you think it better to cultivate the trade with your own people or to let that go in order that you may keep the trade of those who, rightly enough, are your competitors and rivals?" asked Mr. Chamberlain.

That is the position which the people of this Empire have got to consider, it being remembered that our export trade with our Colonies is increasing while that with foreign nations is decreasing in a most serious manner.

We have followed Cobden's principles and are in consequence daily losing ground as well as money. I cannot do better than quote a recent daily paper as to Mr. Otto Eltzbacher's recent work, which says:—

GERMANY.

"The Germans who followed List, though starting without shipping or capital or colonies or good coal, have become our fiercest competitors at home and abroad. They build the swiftest ships on the ocean: they created a fleet of the first rank with the strongest army in the world behind it; they introduced old-age

pensions, which we are told we cannot afford ; and are at present contemplating a tariff war against this country and the United States, while *we tremble* at the thought of commercial friction with other countries.

“ German working men can stand a high duty on all articles of consumption, including bread-stuffs, while, according to our Free Traders, our millions of poor will starve at the imposition of a slight tax on corn. Truly, the relative positions of Germany and Great Britain have changed in half a century !

“ The position of the workman in Germany has improved under Protection in the most remarkable manner. His wages are as high as ours in many instances, while his cost of living is much cheaper. From a poor debtor country, Germany has become a rich creditor.

BISMARCK.

“ It is interesting to recall Bismarck’s arguments in favour of Protection in 1879 when he introduced that policy. It was a time of great depression in German industries. The country was chiefly known abroad as a provider of inferior goods which were often a clumsy imitation of our own.

“ ‘ We have become the dumping-ground for the over-production of other countries,’ said the Iron Chancellor. ‘ We are being swamped by the surplus production of

foreign nations. Prices have been depressed, and the development of all our industries has suffered in consequence. We are slowly bleeding to death owing to insufficient Protection. Let us close our doors and erect barriers in order to reserve to Germans *at least the home market.*'

"I see that those countries which possess Protection are prospering, and that those countries which possess Free Trade are decaying. England herself is slowly returning to Protection, and in some years she will take it up in order to save for herself *at least the home markets.*"

Those were indeed prophetic words, but I think we have awakened in time to save our Colonial markets as well as our home markets. Please God that it be so !

BENEFIT OF PROTECTION.

The benefit of the Protective tariff introduced by Bismarck was immediate. In two years the number of men employed in the iron and steel industries had swelled by 13,000, while their wages had increased 50s. a year.

In other industries during the same period it was reported to the Diet that the wages had increased from 5 per cent. to 15 per cent., and that all factories were working full time. As years went by this rise continued, until we have men at Krupp's receiving 4s. 9½d. a day in 1900, as compared with 3s. in 1879.

The Kaiser's Ministers look upon the German trusts with a benevolent interest. They adopt this attitude chiefly because the activity of the trusts outside Germany largely consists in undermining and ruining foreign industries by swamping them with surplus products, which are sold in the first place *below cost price*. Thus, dangerous competitors are swept out of the German path. The way in which the German Sugar Trust has created a huge industry in Germany, and has ruined and killed the formerly prosperous West Indian industry, &c., by flooding England with cheap sugar, is the best known example of that policy.

Mr. Otto Eltzbacher concludes his article with a warning as to our present position. He says :—

“ In the best informed German circles it is often asserted that Great Britain has for a long time been living on her capital. German statesmen and financiers find a confirmation of this view in the low price of *British Consols*, and of *all British investment stocks* ; in the fact that Great Britain used to possess huge quantities of Continental Government loans and other Continental investments, and of American railway stocks and bonds, and that she now holds *hardly any of them* ; that American and Continental trade used to be financed and American and Continental property *to be mortgaged in LONDON*, and that the trade of the world is no longer financed by this country.

“ From these and many other symptoms of similar import, German observers conclude that Great Britain

has paid for the huge excess of her imports over her exports by realising a large part of her foreign investments, that the capital of Great Britain is constantly being drained away by foreign countries, and that this process cannot go on indefinitely."

GERMANY THE DUMPER.

The following cutting will show the result of the astute old Chancellor's advice to his countrymen—

“ Berlin, Tuesday, July 28.

“ Henschel and Son, an important locomotive building firm at Kassel, Germany, employing over 2,000 hands, admit in their report for the year 1902 having exported abroad £100,000 worth of new railway engines under cost price.”—*Laffan*.

Here the tables are turned, Germany is no longer the dumping ground of the world, she is the dumper. She has protected her home markets and has therefore kept her own home trade, and can afford to lose a little if she succeeds in knocking out our competition by ruining our trade and shutting up our factories, and yet, oh gods ! we allow it !

It is as Bismarck saw, a misfortune, *instead* of a *fortune* to the country where foreign goods are dumped which the country could produce, and as a consequence the poorer classes always suffer. The rich man or the corporation for the moment buy at a *slightly cheaper rate* it is true, but it is only a temporary gain of a small

sum ; the home manufacturer, however, loses his market and his profits, the labourer his work and his increased wages, and the country *loses* the money sent out to the foreign importers, and when the trade is ruined, as so many of our trades have been, well, the foreign importer tightens his hands, puts the curb on and makes the helpless manufacturer pay through the nose for goods his own country has ceased to produce !

MONEY LOST TO THE NATION.

Thus, money is lost to the nation—manufacturers and workmen are ruined, and the country becomes dependent on foreigners. What folly ! What criminal negligence ! As an instance of this folly perpetrated by our corporations, I saw the other day that the Southampton Corporation had given a £3,000 contract for pipes to a foreign firm. They were very properly heckled for this by some men among them who deserve the name, and their answer was that, although some 14 English firms had tendered for the contract, the Belgium or German firm were 3 per cent. cheaper ; think of this, oh you working men ! £3,000 of English money, *all* of which should have been distributed in England among honest English industries and honest English workmen, sent out of this country in order to allow a body of complacent idiots to declare that they had saved their ratepayers (if, indeed, they have done so) £100. How long, oh my fellow countrymen, are you going to tolerate

such sheer gross incompetency ? Is it good for you that your trade should be killed in this manner ? Are you reconciled to losing all chance of work and seeing the country becoming a home of American and German millionaires, paupers, and lunatics ?

Consider the result of such a policy :—

1st. The English pipe makers — losing heart, employing less men, giving less wages, and curtailing expenses in erecting costly machinery ;

2nd. The labourers and tradesmen depending on their custom, at least poorer in pocket by £2,000 ;

3rd. Paupers—a decided chance of men being thrown out of work, becoming dependent either on their unions or on the workhouses of the Southampton ratepayers ;

and then ask yourself if these enlightened representatives of the civic world of Southampton have reason to glory in the fact that they are able to declare for a moment that they have saved the ratepayers about $\frac{1}{4}d.$ per head, and given the foreigners £3,000 of good English ratepayers' money.

CHAPTER VIII.

LOSING TRADE.

GERMANY, as will be seen, has nearly captured our piano trade, both in Australia and in our home markets, and has the impertinence to charge us in England from 10 to 20 per cent. more than she is selling them for in her own country. Why should she come into this country free and compete with our heavily taxed makers and pay nothing to the *taxes* of *this* country to the support of the paupers we are so energetically raising? Her ambition is to ruin our piano manufacturers. Does she permit us to send our pianos free into her country? No, she taxes them heavily, and so, while we help to pay her taxes, she retains her own market and dumps her surplus stuff into our Colonies and into England. What chance have our makers? We, who controlled some years ago the Australian piano trade, are now ousted from there. These are the figures for last year, taken from Australian statistics:—

Foreign pianos imported into Australia in 1902—8,633, mostly German.

English pianos imported into Australia 1902—834.

British made pianos imported into Australia in 1877, valued at £110,647.

In 1901, valued at £24,489.

A falling off of 450 per cent. in our exports to Australia in pianos alone.

In England imported pianos from Germany amounted in 1874 to the value of £108,444 ; last year they reached the value of £738,316 ; the year before, £749,512. The Germans have increased these imports into this country during these years by nearly 700 per cent.

Our exports into Germany in 1884, were valued at	£14,450
" " " 1892 " "	£12,903

or our exports into Germany decrease in these years by 11 per cent. *Is this good business ?* There is strong need of patriotic action on the part of the English buyers of pianos ; their watchwords should be the encouragement of English trade and English pianos, and from our King downward only English goods should be purchased, shown, or exhibited. Every one remembers what a deserved impetus was given to Irish linen a few years ago by the patriotic action of our leading ladies. The buyers of pianos (which are a luxury) who choose to buy foreign pianos can well afford to pay for taxation. Why should they not have to pay a tax if they want these luxuries from abroad ? I have to pay taxes when I smoke my pipe ; and besides this, a tax on foreign pianos would foster and increase our own trade ; the millions we are sending to Germany should be spent in England, and our trade encouraged.

If we let our industries decline, we shall be in a similar position to the man who, at one time capable of doing his own work, gradually allows others to do the work he should himself do. He gets the work done, it

is true, but becomes dependent on others ; when he ceases to be able to pay for this luxury he finds he has lost his ability, his aptitude has gone and his muscles are incapable of doing work, and so it is with us, as a nation, we are losing our industries day by day, and they will not, when once gone, be easily recovered.

FOREIGNERS' INCOME.

The money obtained yearly by foreign powers in taxing other countries' goods (thus protecting their own markets) are :—

America	-	-	48	millions
Germany	-	-	24	„
France	-	-	17	„
Russia	-	-	15	„

Why should not our taxpayer be released from some of the burden he has to bear, by taxing foreign goods ? Remembering always this truth, that the price of all commodities becomes cheaper to the country who protects its home market and encourages home productions, and taxes heavily those articles which it can produce when imported into its markets by foreigners, etc.

Free Trade is responsible for the fact that the British workman is condemned to old-fashioned methods, and is not as a class allowed to have the handling of those new inventions which would at once increase his skill and his wage-earning capacity.

FALLING OFF IN MANUFACTURES.

English manufacturers have no market of their own, they have to compete against foreign rivals, not only in English possessions and in England, but abroad where the inhabitants of other countries are protected and encouraged in every way by their own Governments.

A man cannot embark upon the outlay of new machinery and new methods unless there is every security that success will follow his ventures, and that his home market will be kept for him. The Americans have, for example, every possible security. Foreign rivals are *kept out* by prohibitive Protective tariffs, and when he has more goods than he can sell, then he can and does dump them on the English markets. Exactly the same state of affairs exists in Germany. The total value of the *manufactured* goods exported from the United Kingdom in the years 1890 and 1901, was :—

In 1890	-	-	-	£230,000,000
---------	---	---	---	--------------

In 1901	-	-	-	222,000,000
---------	---	---	---	-------------

The value of *manufactured* goods exported from the United States and from Germany in the same years was :—

	United States.		Germany.
1890	- £31,000,000	-	£107,000,000
1901	- 86,000,000	-	145,000,000

Thus the rates of increase or decrease per cent. of the export trade (in manufactures) of the three competing countries were :—

United Kingdom—Free Trade	<i>Decrease</i> of $3\frac{1}{2}$ per cent.
United States	—Protection <i>Increase</i> of 174 per cent.
Germany	—Protection <i>Increase</i> of $35\frac{1}{2}$ per cent.

DEPENDENCE ON FOREIGN MANUFACTURES.

Increase of foreign manufactured goods purchased from abroad :—

In 1890	-	£98,200,000
In 1902	-	£148,900,000

Increase in 13 years £50,700,000 per annum.

Increase of manufactured goods sent into United Kingdom from United States, Germany, Belgium, Italy, France, Holland, and Russia :—

In 1890	-	£78,000,000
In 1902	-	£113,000,000

Increase in 13 years £35,000,000 per annum.

Decrease of manufactured goods sold by United Kingdom to the above countries :—

In 1890	-	£84,000,000
In 1902	-	£70,000,000

Decrease in 13 years £14,000,000 per annum.

This alarming falling-off in our export trade or the goods we sell, as against our import trade or goods we buy, an increased loss in 13 years to this country alone of 49 millions per annum, is somewhat balanced in the same time by an increase of over £32,000,000 in manufactured goods, we are selling to our Possessions per annum. Can anyone who thinks, doubt on which side our bread is buttered or decry the value to us of our Colonies.

LAST MONTH'S DECREASE IN EXPORTS.

The following is the unsatisfactory story of the July Return of the Board of Trade, as compared with last year's figures. These are the figures for the two years :—

IMPORTS.

July, 1903	-	-	£45,653,320
July, 1902	-	-	44,086,960
Increase	-		£1,566,360

EXPORTS.

July, 1903	-	-	£31,541,063
July, 1902	-	-	32,063,699
Decrease	-		£522,636

The enormous difference between imports and exports is also to be noticed. For the month alone the difference is £14,112,257—on the wrong side of the ledger, and this terrible deficit is increasing at the rate, according to this month's returns, of £25,067,922 per annum.

In sympathy with this decrease I append the Local Government Board Returns for June, 1903,

BIG INCREASE IN PAUPERISM.

The Pauper Returns of the Local Government Board for the quarter ending June, issued on Saturday last, stated, that the total number of paupers relieved in England and Wales was higher in the last weeks of April, May and June than in the corresponding weeks of the *previous four years*.

A notable increase in London pauperism is recorded. The total number of paupers in London was higher in the second quarter of 1903 than it had been in the corresponding months of the previous years since 1872, the rise in both the years 1902 and 1903 having been particularly noticeable.

The number of indoor paupers in London, too, was higher in the last week of each month of the quarter than in the corresponding weeks of any of the preceding years on record, showing an increase of nearly 3,000 on the numbers in 1902.

Altogether there were 104,210 paupers in London at the end of June, 1903, as against 101,242 at the end of June, 1902. In England and Wales the total was 696,294, against 688,313 last year.

MISTAKEN IDEAS.

■ The so-called Free Trade and theory-loving politicians and economists are opposing the suggestion of *Preferential Tariffs*, or *Reciprocity with the Colonies*, on the ground that our commercial prosperity rests solely on Free Trade. Germany and the United States are both highly protected countries and their prosperity is marked. We are Free Trade and we are losing ground everywhere.

The Englishman is not only excluded from foreign markets but he cannot rely on his own markets for his own goods, as they may be flooded with the cheap surplus goods of foreign rivals, and hence it is that 99 million pounds of manufactured articles were dumped into England last year—every pennyworth of which manufactures could and should be made here. Fancy how our workmen would benefit by this annual 99 millions !

■ At the Crystal Palace Food Exhibition there are 300 foreign exhibitors, and only some fifty English. There are 393 exhibits, only 39 of which represent British firms. Austro-Hungary and Germany stand first with 129 exhibits, &c. What a lamentable state of affairs !

CHAPTER IX.

THE INTERESTS OF THE WORKMAN.

SUPPOSE we were to put a tax on foreign manufactures equal to *one-half* that placed on some of *our* goods by the Americans, it would mean a revenue of nearly £40,000,000 per annum from imported manufacture, give increased security and work to our manufacturers. Neither our employers nor employées have a chance under our system. Wages in manufacturing towns are kept down, and why? Because the Englishman has to compete against the whole world—the bounty-fed manufacturers, blackleg competitors who stop at no trick which can profit their business and who have no restriction placed on child or female labour, or hours of labour, no enforced ventilation, and countries where, often owing to climatic conditions, workmen can live cheaper in spite of high Protection.

If employers are making a good profit, the working man is able to get a share of it in higher wages. If the employer scarcely makes profits, the workman must suffer. If the master makes no profits, then he must eventually give up business and the country and workmen both suffer--the interests of employers and workmen should be identical, and they should combine together to foster trade. No trade union can enforce good wages unless trade is good—the unions are at present powerless

against foreign competition under our so-called *Free Trade* policy. Every union should be a Protectionist League instead of a league against the masters. It is against foreign competition they should protect their members. Both masters and men need the prosperity of their trades, and foreign competition needs its destruction.

Foreign workmen get every encouragement and help to enterprise and the exploitation of foreign markets from their Governments ; the English get none, but are heavily handicapped and placed at a serious disadvantage. If the whole world were Free Trade—well and good, but it is only by Protection that any such equality can now be gained.

RUIN TO THE AGRICULTURISTS.

Free Trade has ruined the agricultural industry. England, the finest agricultural country in the world, is steadily going out of cultivation.

In 1851 the wheat acreage was 4,500,000

In 1871-75 it was - - 3,700,000

In 1902 it was - - 1,726,000

In the last four years 300,000 acres of wheat ground has gone out of cultivation. Green crops have decreased from 5,073,000 acres in 1871, to 4,231,000 acres in 1901. Flax from 136,000 acres to 56,000 acres. Hops from 64,000 acres to 51,000 acres. And all the time the population and the consuming power of the country has been increasing. What the farming industry has lost in

wheat it has not made up in cattle and live stock. Sheep have decreased between 1871 and 1901 to the number of 2,000,000 ; pigs have decreased to the number of 370,000 ; while cattle only show an increase of 3 cattle in every 20 in the same time. Stock raising does not, even if there were an increase, give employment to as many men as cereal cultivation ; for every 3 acres which goes out of cultivation, one agricultural labourer loses employment. From the decrease in wheat *alone* our agricultural districts have lost 1,000,000 men.

If fair play were given to agriculture, farmers would soon employ treble the hands, and be able to pay them better wages.

BREAD.

In 1801 no less than 56 per cent. of our total population depended on the agricultural industry for a living ; as a result of the Free Trade policy this number has dwindled down in the last 40 years to 15 per cent., and owing to land going out of cultivation the finest peasantry a country ever owned—the backbone of our army and navy—is allowed to disappear. In every quartern loaf we eat, three-quarters of it is imported flour.

DEPRECIATION OF LANDED PROPERTY.

COBDEN AGAIN.

Now this result is due to the so-called Free Trade

policy which we have been pursuing for the last 60 years. The rentals of our agricultural lands have fallen over 33 million pounds, and are still falling.

We paid out of income last year £58,000,000 for imported corn. Since Cobden's time we have paid away nearly 1,800 millions of money for corn, and the loss in rents of agricultural holdings directly follows this huge expenditure. A fall of £33,000,000 in revenue means a loss of capital equal at least to 1,000 millions. This heavy loss in internal wealth has been apparently overlooked, in any case but little attention has been called to it, and the loss is of course ignored by the Free Trader, who refers to the lump sum of our exports and imports as an evidence of our increasing wealth, and quotes other and equally misleading facts and figures in order to make his arguments appear correct.

Had Cobden foreseen the loss he was directly bringing on the country-side, he would, I believe, so high is my opinion of him, have sooner lost his life than advocate Free Trade. His ideals were to advance the prosperity of the farmers, the yeomen of Great Britain. However, let him speak for himself. He said :—

“ We do not believe that Free Trade in corn will injure the farmer ; we are convinced that it will benefit the tenant-farmer as much as any trader or manufacturer in the community. Neither do we believe that it will injure the farm labourer. We think it will enlarge the market for his labour. . . . We do not expect that it will injure the landowner. . . . Then, I

say, Free Trade in corn does not necessarily involve pecuniary injury to the landlords themselves.

“ I think you may have as good rents without a Corn Law as with it.”

And he declared in 1843 :—“ We are the great agricultural improvers of this country. Among the other glories that will attach to the name of Manchester will be this, that the Manchester men not only brought manufactures to perfection, but that they made the agriculturists also, in spite of themselves, bring their trade to perfection.”

Again, the next year he repeated this belief :—“ I believe when the future historian comes to write the history of agriculture he will have to state : ‘ In such a year there was a stringent Corn Law passed for the protection of agriculture. From that time agriculture slumbered in England, and it was not until, by the aid of the Anti-Corn Law League, the Corn Law was utterly abolished, that agriculture sprang up to the full vigour of existence in England to become what it now is, like her manufactures, unrivalled in the world.’ ”

In the same year he said :—“ We do not contemplate deriving one quarter less corn from the soil of this country ; we do not anticipate having one pound less of butter or cheese, or one head less of cattle or sheep ; *we expect to have a great increase in production and consumption at home.*”

So far from rents diminishing, he believed that they would go up. “ The landowners,” said he in 1843,

"have nothing pecuniarily, they have nothing ultimately, to dread from a Free Trade in corn."

Can anyone with reasoning powers doubt what Cobden would say or would do if he were alive to-day, he would never rest until he had, in the hearing of all his countrymen, acknowledged his mistaken ideas, and implored his listeners, while yet they had time, to awaken, and either have the Free Trade he advocated (which is of course impossible) or adopt measures to protect themselves and their industries.

WHY NOT? A SUGGESTION.

Allowing Canadian, Australian, Indian, and Egyptian corn to come into Great Britain free, and encouraging in every way the home production of wheat, should reduce the cost of wheat and flour in England. Placing a duty on American and other foreign wheat, flour, &c., would not increase the cost of growing these commodities in England or the Colonies. How could it? These duties the *foreigners would have to pay*, and a big increase would thus be given to our revenues, and the foreigners would have to sell their corn stuffs at a lower price than now in order to compete with our Colonial free imports and home producers. Remember that the price of all imported wheat will be dominated always by the cost of home production of this article, and the cheaper we can produce it in England the cheaper they will have to sell it whatever duties they have to pay to enter our market; they cannot in fact, ask a better price than the ruling price of the market which they will have to enter. We should, under such a policy, soon become independent of foreign wheat, &c., a consummation most devoutly to be hoped for. The Government could fix a standard price for bread, and by utilising the duties placed on foreign imported wheat could either assist the agriculturist or aid the 12,000,000 odd in England whom a possible increase of, say, *one penny per week per head* in the price of bread might possibly affect. A temporary rise might occur, but, as in France and other countries, as I have shown, a fall in the price of bread would soon take place. In return for the preference given to our fellow-subjects abroad, we should receive from them a preferential rebate on the duties they are at present placing on our goods, and our trade with them would increase enormously, to the great advantage of the whole nation.

CHAPTER X.

COST OF PRODUCTION.

THE cost of producing wheat must become less the more land there is under wheat cultivation. A farmer can better afford to buy costly labour-saving tools the more land he is able to cultivate, in the same way that wages become a secondary consideration provided articles can be produced in great numbers. But it is no use producing articles in great numbers unless there is a market for them, and hence the importance to a manufacturing nation not only to have its own home market for its manufactures but also colonial and foreign markets *open* to its goods. In other words, in modern industries economically everything depends on the scale of production.

The machinery of a steamer of 10,000 horse-power can be driven more economically per horse-power than a steamer of 100 horse-power, and in manufacturing mills if 1,000 articles can be produced at a cost of 10s. each and sold at 12s., 10,000 can be produced at a cost of perhaps 8s. each, and consequently sold at a 10s. price; the market, the manufacturers and the labourers all gaining by the increased manufacture, sale and purchase of these goods, and as the purchasing capacities of the market increase, so the producer can drive out foreign competition, because he is able to produce more cheaply

in consequence of the increased and improved scale of his machinery. So a farmer who has been growing 2 acres of wheat finds that it costs him a much less sum per acre when he grows 1,000 acres, for it then pays him to purchase labour-saving machinery, and in consequence the price of corn is lowered to the purchaser, more agriculturists are employed, and the farmer earns more profits and the labourer gets bigger wages.

In England, villages are now depopulated, or dwindling in size, mere asylums for old men and children, the young healthy yeomen have to leave their homes and seek wages in the already overcrowded population of our towns, and have, under unhealthy conditions, to compete against the low class of imported foreign aliens, or else to leave England.

HOME TRADES.

Free Trade does not directly *influence* the industries of home trade, by which I mean carpenters, bricklayers, plasterers, &c., and they are, therefore, at present better paid than other classes of labour. This fact should be remembered by the manufacturing and agricultural labourers, for the *home* Trade Unions are more successful, and when they strike are more effectual, than the Unions of those trades which are exposed to the foreign competitions.

At first glance it would appear, then, that Free Trade, however disastrous to other labourers is no dis-

advantage to the home labourer. But let him regard the future. The workmen in the many other dwindling industries we at present possess will turn their attention to the home trades, competition in these will become more severe, wages will be lowered—besides this point, you must not forget that the home trades cannot prosper unless the country at large is prosperous ; this is *incontrovertible*—the ruin of our industries must have a disastrous effect upon the home trades which depend on them. Every English trade, no matter how remote, must ultimately, if not now, feel the disastrous influence of the so-called Free Trade. The country cannot go on buying foreign goods without earning sufficient money to pay for them. The prosperity of the manufacturing class must increase the prosperity of the working classes, and *vice versa*. John Bright himself said Protection will not content itself with enriching manufacturers, but will be called to give higher wages and shorter hours of labour. Wages have risen, and hence encouraged a belief that this is due to Free Trade. The pernicious influences of Free Trade are only now just beginning to operate, and wages are falling. It is only of late years that the foreign manufacturers have seriously begun to pour their goods into this country. A period of reduction of wages, in consequence, has begun. From all parts of the country comes the cry of slackness of labour, partial employment, lower wages, want of money, &c. Consider this, oh, you working men. Nothing but the protection of your industries can possibly help you.

THE UNEMPLOYED.

Who does not remember, this winter, the fearful outcry that arose long ere winter set in as to our unemployed ? Who will forget the disgusting sight and annoyance of the processions of the unemployed (permitted by the authorities), who went day after day begging for assistance to buy bread. Oh, glorious so-called Free Trade ! Happy, God-fearing, virtuous and wise English. How you must have thanked God for His wisdom in making you so contented, while unable, with the largest Empire in the world, to find work and food for your inhabitants ! Think of this, ye bootmakers ! Ye tin-plate workers ! Ye ironfounders ! Railmakers ! Agriculturists ! Glass blowers ! Miners ! Dock men, &c., &c.

IRON IMPORTS INCREASE.

The imports into this country of manufactured and partly manufactured iron and steel have increased in six half-years from 384,000 tons to 592,000 tons.

Mr. Bonar Law, who gave these figures to Sir Thomas Wrightson yesterday, states the details of the increase as follows :—

Half-Year to		Tons	Value
June 3rd, 1901	..	384,000	£3,414,00
December 31st, 1901	..	540,000	4,147,000
June 30th, 1902	..	552,000	3,873,000
December 31st, 1902	..	581,000	4,063,000
June 30th, 1903	..	592,000	4,045,000

Re AMERICAN INFLUENCE.

It may have been noticed, with some surprise, that the well-known American importer of iron and steel, Mr. Andrew Carnegie, is President of our English Iron and Steel Institute, this year. *Why?*

95 PER CENT. OF A TRADE DESTROYED.

Mr. T. Craig-Brown, in a letter to "The Times," says:—The other day I asked a very competent authority to say what the effect had been upon Scotch woollen cloths of the United States tariff alone. His answer was:—"I do not think 5 per cent. of the trade remains;" and this has been confirmed by other manufacturers who were asked the same question. Theory is idle in such circumstances; it is action we want.

And then take all our textile industries—cotton, wool, silk; and comparing the last ten years, up to 1900, with the previous ten years, the Blue Books show that we exported £102,000,000 less and imported £75,000,000 more! Is it not time that the Board of Trade should wake up?

The disastrous falling off in our woollen and cotton industries is still further disclosed in the Board of Trade Report recently issued. Summarised, they are as follows:—

Woollen and Worsted Exports per head of Population.

1877	..	..	..	=	14s. 6d.
------	----	----	----	---	----------

1902	..	..	..	=	6s. 8d.
------	----	----	----	---	---------

or a loss per head of population of no less than 7s. 10d.

Cotton Exports per head.

1877	..	..	.. = 35s. 6d.
1902	..	..	.. = 20s. 3d.

or a loss of 15s. 3d. per head of population; think of it—in these two of our principal productions, my friends, we have had in the last 25 years a falling off in our exports, that is the quantity we sell, of no less than £1 3s. 1d. for every man, woman and child *per annum*.

The Board of Trade returns for 1900 shew how this falling off affected the worker.

Persons employed in Textile and Woollen Factories.

1890	..	..	830,351 persons
1898	..	..	782,532 ..

In these 9 years no less than 47,819 persons lost employment in Textile and Woollen Factories.

G. H. Wood has shown that, though the rate of wages had increased, the *number of unemployed* had also increased, Trade Union returns show that the percentage of unemployed in 1860 were 2·71 *per cent.*; in 1880 to 1889, 5·34 *per cent.*; 1890–96, 6·04 *per cent.*

In 1851 there were almost two million agricultural labourers, and in 1901 less than one million. In 1891 there were 605,755 persons employed in the cotton industry, and in 1901 only 582,119. In 1851 over 60,000 persons were employed in lace-making, and in 1901 there were not 37,000. The decline in woollen industries was from 258,106 to 236,106 between 1891 and 1901. In the same time linen workers fell from 8,531 to 4,956, and silk workers from 52,027 to 39,035.

Now listen to what the late Mr. McKinley said :—

“ The people of no nation in history has ever permanently prospered under a policy which sacrificed its home industries to build up and develop the resources and give employment to the labour of foreign states.”

PRESIDENT ROOSEVELT.

As President Roosevelt said, “ The object of Protection was to defend American workmen from competition with workmen whose standard of living was lower.” John P. Young, on page 450 of his great work on Trade, says English Cobdenites render themselves unfit to pronounce upon the working of a properly constructed Protection tariff, and fail to see that it operates almost wholly in the interests of the classes who are compelled to toil productively to earn a livelihood.

It is by no means certain that the price of commodities which a workman and his family consume would be appreciably higher under Protection. They might, if every article coming into England were taxed all round, and we might expect an all-round rise in the price of commodities for a *time*, but it is not proposed to make all-round taxes on food.

The taxation of imported manufactures which we can produce would be immediately answered by an increase of wages, and the rise in prices of these would be only temporary. A stimulated home production would naturally increase employment and wages and a fair competition between our goods and foreign goods would follow, and prices consequently drop.

MILLING TRADE.

An object lesson in this is shown in the late Corn Tax, and shows how one industry profited (the English milling trade). This trade possesses 1,000 up-to-date mills, employs 25,000 people, with a capital of £30,000,000 and of course, gives employment to milling engineers, &c., &c. During the year of the Corn Tax the trade turned out 3,000,000 sacks of flour in excess of any other year, America alone sending 2,000,000 sacks less. This meant prosperity for the whole trade, and the price of bread did not increase at all, the millers were able to *pay* their engineers *better*, they began to *enlarge* their mills, and spent over a *quarter* of a *million* last year on *new* machinery. The result of the Corn Tax of $2\frac{1}{2}d.$ per hundredweight being taken off is a disaster, small as the sum seems, for it makes all the difference between prosperity and a hard fight for existence, it resulted in orders being cancelled, number of hands limited, and is a general knock-down blow to the millers. Before the tax was repealed one firm had £80,000 worth of orders in hand, another £60,000, several had orders totalling between 40,000 and 30,000; most of these orders will be countermanded, for the foreign supply will flood our markets again.

CHAPTER XI.

NO EXTRA COST OF LIVING.

OF the prevalence of this feeling among business men the following, amongst many, may be given as an example.

Mr. H. A. Willey, civil engineer and a member of the Society of Arts, writes to the "Times," offering to meet any prospective increase in the cost of living under Mr. Chamberlain's proposed tariff scheme by giving a corresponding increase in wages to his workmen.

"Employing 1,000 artisans in Exeter and London engaged in the metal trades," he says, "I have made an especial study for the past twenty years of the trade conditions affecting this industry at home, in the Colonies, and abroad.

"So deeply impressed am I with Mr. Chamberlain's proposals for a Zollverein, or a method of preferential tariffs protecting British and Colonial industries, that I unhesitatingly meet the objections raised by proposing to guarantee for a period of five years such an increase of wages among my men as would amply cover the prospective additional cost of food and living.

"Our national wealth and prosperity notwithstanding we have to face two grave and increasing problems—the growing army of unemployed British artisans and the enormous mass of our population receiving relief under the Poor Law.

“ Simultaneously with the revision of our Tariff laws there surely must be an amendment of the Patent law, requiring the foreign holder of British patents to manufacture the subject of these patents on British soil, which in some industries— and notably that of motors—would retain and circulate millions of money among British workmen.

“ From my point of view, I do not believe that the imposition of import duties as suggested will appreciably increase the cost of food. We shall cut down the profits of the foreigners in their efforts to retain our market.

“ In this case the cost of British manufactures must be reduced, seeing that the enormous revenue resulting will be available for the relief of taxation, or, if the price of imports increases, we help our Colonies and have the new import duties cash in hand to deal with for the benefit of the consumers, *i.e.*, ourselves.

“ We are at the parting of the ways, and I hope that the solid sense of the English artisan will stand him in good stead at the great commercial crisis.”

FACTS FAVOURING PROTECTION.

The following facts, showing the benefit of Protection to the country imposing duties on products which can be grown or manufactured within their borders, may be quoted out of many. Our so-called Free Trade policy is based on a *fallacy* that a *duty* imposed on an *imported* article must be *paid* by the *consumer*. *That is* so, if the article imported *cannot* be produced at home—

if it can, home production competes with the imported article and keeps down the price. Many examples, taken from Consular Reports, could be given, but two will suffice :—

RESULT OF ITALIAN DUTY ON WHEAT.

1. In 1888 Italy raised the duty on wheat from 1s. 10d. to 7s. 6d. per quarter, English money. The effect was to stimulate home production, the price of bread remaining about the same. In 1889 wheat was imported to the value of 176,000,000 liras ; in 1891 the imported value had fallen to 106,000,000 liras ; an important economic factor in the fiscal policy of a poor country like Italy.

RESULT OF AMERICAN DUTY ON STEEL RAILS.

2. The United States of America began manufacturing steel rails for themselves in 1867. At that time steel rails were being sold in the States at 150 dollars per ton. To protect the industry the duty was raised from 5 dollars to 28 dollars per ton on the imported article. In five years the price of steel rails fell to 112 dollars per ton, and in 19 years to 27 dollars per ton, one dollar less than the duty, all produced at home, and for the time being the British trade was completely knocked out. It is easy to see what took place in the States. During those 19 years the ever-increasing output in the States competed with imports

from Britain and depressed values. British manufacturers paid the duty until all margin of profit had disappeared and the trade was given up, and so with tin.

RESULT OF AMERICAN DUTY ON TIN PLATES.

Before 1891 we supplied America with their tin-plate, in that year the McKinley tariff came into effect. The Americans were paying us in 1891 13s. 8*d.* per box, in 1897 they had reduced the price per box to 10s. 6*d.* ; our export to America of tin-plates has now ceased. In 1891, before the McKinley tariff came into operation, the United States imported tin-plates to the value of £7,149,324, of which all but a very small fraction came from the United Kingdom. In 1901, ten years later, the value of the tin-plates imported into America had declined to £754,012, or about one-tenth. In the meantime, under the stimulus of the McKinley tariff, America had erected about 50 tin-plate factories, employing a vast number of people, and more factories are in process of erection. Besides this, America, since 1898, has commenced exporting tin-plates. A year later (in 1899) the exports increased 10-fold ; in 1900 15-fold ; and in 1901 60-fold. It is needless to go on with the long roll of facts as to other decaying trades, equally sad, equally disheartening, but equally well known.

A commercial system based on free imports and taxed exports is not "Free Trade" but "fettered trade."

Protection will not be introduced, however, in an all-round manner—but bit by bit—in such a way and so

that the pressure on a workman's expenditure would not arise. Cobdenites are wrong in assuming that Protection will invariably raise the price of articles produced to the working consumer ; the reverse is invariably the case. The American tariff shows that the great majority of articles taxed are never used by the working classes, and are for the most part on articles of luxury.

AGRICULTURE.

Agriculture must *not go* by the board—we must preserve our rural population, and a word in favour of the agriculturists, from the time of Adam right down the long course of history, touching men like Agricola, the finest sons of any country are the men who till the soil. “By the sweat of thy brow shalt thou eat bread,” and the Divine sentence has wrought its blessing on those who toil, especially so on the countryman.

Where did our recruiting sergeants go to during the long wars of 1700 and 1800 to get recruits ? Why to the country youth, brought up under the eye of his parents and the clergy, used to the discipline of the farmers, inured to an out-door life, with a healthy conscience, and from a love of his parents, his God, his Queen, he was the boy who could and who did make the soldier and sailor of whom we still love to sing. Where do the recruiting sergeants go now ? To the town, the purlieus of which are the favourite recruiting ground. No longer able to gain recruits in the

healthy country fields, he seeks those who would enlist in the towns and does not mind if they are driven to enlist by the fears of the police, the gnawing of hunger or the rigours of winter. A small percentage of those who seek to enlist come up to the diminished measurements now permitted.

It is not for me to run down the small percentage of those selected—bravely have they fought for us lately—but are they in physique and endurance to be compared to the men of Assaye, the Peninsular, Waterloo? No; they have gone; our villages are depopulated, our land unproductive and of little value—our yeomen have vanished—even now our farmers are unable to get the unskilled labourers to turn their hay, and we read of farmers (poor fellows) being fined by magistrates and J.P.'s, &c., for keeping their children away from school so that they might assist their parents to save the harvests.

Our rural population must be protected; we must remove the constant inrush to the cities and the over-competition to the city man.

If the policy proposed by Mr. Chamberlain is adopted, a small tax will be levied on foreign wheat—but not on Colonial wheat—this is in order to encourage Colonial farming and British farming.

In return for this preference the Colonies will give a preferential tariff in favour of British manufactured goods.

Canada has already given a preference to British

goods. What has been the result ? The exportation of British products into Canada, which had been steadily falling off for many years, increased from £6,594,000 in 1895 to £9,659,000 in 1900. How much employment for British labour this increase of these millions means !

The following figures show the value of exports of British and Irish produce, excluding coal, bullion and specie, and ships to foreign countries and to British possessions, in the two years 1891 and 1902 :—

EXPORTS.

	1891.	1902.
To foreign countries ..	£145,675,000	£145,550,000
To British possessions ..	83,924,000	105,696,000
Total	<u>£229,599,000</u>	<u>£251,246,000</u>

For self-governing Colonies alone the statistics are :—

1891	£40,454,000
1902	£58,679,000

Thus the export Trade to FOREIGN COUNTRIES remained STATIONARY, while that to the BRITISH POSSESSIONS (including India) INCREASED by £21,772,000, or 26 per cent. Taking the self-governing Colonies alone, the increase was £18,225,000, or 45 per cent.

When the price of wheat rises over 35s. per quarter, let it come in free, the above price would put millions of acres in England under cultivation, would allow of a most profitable importation by the Colonies into England. It *might mean* $\frac{1}{4}d.$ per big loaf more than at present, for a

short time, but this is by no means certain, there would soon be a big home supply. 35s. was the average price of wheat from 1882 to 1891, when the country was assumed by every one to be enjoying the advantages of a cheap loaf. Let us assume that bread would be $\frac{1}{4}d.$ dearer—the average family of five consumes eight loaves a week—would 2d. per week for bread to the head of the house to these five persons mean any appreciable difference to the food bill? and so it is with other articles of diet—such an increase would be well balanced by abolition of duties on tea, coffee and cocoa, which are not produced here, and which we need not therefore protect.

Two shillings a quarter, that is 10s. per ton, tax on wheat would mean on imported wheat 1s. 6d. per head of our population, but as we are taxed for food stuff, &c., which we cannot produce, such as—

3s. 6d.	per head on	Tea
2s. 6d.	„ „	Sugar
5s.	„ „	Coffee
5s. 6d.	„ „	Tobacco, &c., &c.

A small remission on any of these would meet the additional cost of 1s. 6d. per head placed on wheat.

And here let me insert Sir Michael Hicks Beach's objections to this agreement and my reply to his objections.

SIR MICHAEL HICKS BEACH.

In a letter to the "Times" he implies that a duty on

corn will, at any rate for *some time*, be in excess of a similar amount remitted on a taxation say of tea, and this is a point on which he is right, for as we now import three-fourths of our wheat from abroad, and the proposed tax on this of 2s. a quarter would mean a tax of 1s. 6d. per head of our population, it would also raise, for the present, the price of the remaining fourth of home-grown wheat to the same level, and therefore the increase in the cost of flour would be 1s. 6d. + $4\frac{1}{2}d.$ or 1s. $10\frac{1}{2}d.$ per head. Now, if 1s. 6d. were remitted on tea, the Exchequer would lose nothing, but the consumer would pay $4\frac{1}{2}d.$ more per head than formerly, in spite of the remission of the amount of 1s. 6d. per head as regards tea. If the remission on tea were raised to 1s. $10\frac{1}{2}d.$ in order to avoid the loss to the consumer, then the Exchequer would lose to the extent of $4\frac{1}{2}d.$ per head of the population, but it appears to me that he forgets that, although a loss would for some little time fall on the Exchequer to the amount of $4\frac{1}{2}d.$ + 40,000,000, the number of our inhabitants, or about £850,000 per annum, that a taxation of 1 per cent. on the £99,000,000 of manufacturers' goods now imported annually into the country would produce about £1,000,000, or more than this loss of £850,000. While, did we put (as the States do on our goods) a 33 per cent. *ad valorem* tax on the imported manufactures coming into this country, we should at once get a revenue of over £33,000,000.

CHAPTER XII.

THE acknowledged scandal of to-day—the wretched housing of the labouring class—is the direct outcome of the working of Free Trade policy.

The cost of living in the States, the most highly protected country in the world, is only 10 per cent. more than the cost of living in this country (see Royal Commission upon the Depression of Trade, 1886), but then the wages were 80 per cent. more in America.

RESULT OF THE MOSELY COMMISSION.

The Mosely Commission to the United States showed that the advantages of *wages* and *living* were *all round* 25 per cent. better in America than here.

The latest statistics show that the weekly wages for 15 different skilled trades in—

	United Kingdom.	United States.
Capital Cities	42s.	76s. 0d.
Other cities and Towns	36s.	69s. 4d.

The weekly cost to the working man for living, food stuffs, &c.—

In Great Britain 15s. 6d. ; in United States, 16s. 7½d.

It is apparent then that, while the American gets double the wages and plenty of employment, he has but little more to pay for his weekly food bill than the Englishman, who suffers from much heavier taxation and continued want of employment.

GERMAN WAGES.

The Labour Department of the Board of Trade has published some facts concerning German wages. In Germany, under a protective tariff, there was a marked advance in wages between 1890 and 1896, though in these years wages were stationary, or actually declined, in England. Coal miners' wages in England fell from 100 to 76 according to trustworthy figures; while coal miners' wages in Wurtemberg (Germany) rose from 100 to 100½.

HIGH WAGES IN GERMANY.

So far back as 1895 it was stated by an Englishman employed in one of the large German ironworks to the members of the Iron Trade Association:—

“Undoubtedly our men (in Germany) are better off than the men in England. We pay, generally speaking, higher wages. You have some few men who get higher wages than any men in our works, but over the whole of our men we get higher wages than you pay.”

At the same time, money goes further in Germany than in England, notwithstanding taxes on food.

ENGLAND'S PAUPERS.

The paupers of Great Britain, in 1900, seeking official relief were 1,183,000 persons under 65 years of age, last year over 1½ millions sought official relief, this after 60 years of glorious so-called Free Trade! Have we, therefore, any very deep cause to be thankful for the boon of Free Trade? Is it closed factories, abandoned

fields, and alleged consequent cheap food, and cheap pianos and other luxuries that these wretched millions want ? No ! It is *work* and *wages*, and it is a cruel mockery to tell them that, though Free Trade is shutting the factories, sending farms to ruin, &c., they are much better off because commodities are a little cheaper here than elsewhere. What is the use of offering men a bargain if they have no money in their pockets ? It is the working classes first and foremost who need protecting and Protection, &c., and the men they send into Parliament should be pledged to get it.

GERMAN HATRED.

Has anyone really considered the reason of the hatred with which the German race regard us, and of their determined attempts to thwart our Colonial policy, and ruin our trade, and discredit our motives ? Why is it we have men with German names leading our so-called trade unions ? To what cause do we owe the Little Englander feeling ? Is it, my friends, that German money exercises a controlling influence over these things ? Is it the fear that we may awaken before it is too late to what the Americans, the French, the Russians and all our Colonies, &c., &c., know to be our only salvation, that impels the Germans to these outbursts of rage and hostilities ? I think there is no doubt of it. Germany has not treated this country with any goodwill these many years. Instead of attending to her own affairs, she has been misunderstanding and

misrepresenting ours. Her Universities and Schools have been *deliberately* employed for the propagation of political animosity towards Great Britain.

GERMAN METHODS.

In an address to the students of one of the largest educational institutions in Germany (delivered on January 27th last), the speaker declares that “ it is the duty of every German residing in foreign countries to unite his compatriots in such a way as to *enforce* their recognition as a special class of the community in question, and enable them to contribute to the economic advantage of *their own country by political action* in the land they have *chosen for their home*.”

The sentiment is repeated *ad nauseam* in the “ All-Deutsche Blätter ” and publications of that colour, and may not this sort of policy be responsible for the action of the Cobden Club ? ”

The following cutting from Copenhagen as to the methods adopted on the Continent may throw some light on the extraordinary attempts now being made in a section of the press in England to throw dust in the eyes of our electors, and to scatter broadcast the lies necessary to preserve Free Trade. To how much we owe this and the Little Englander feeling to German money and intrigue must be left to your own judgment.

A statement appeared in the Russian correspondence of a London newspaper on the 6th inst. to the effect that the Russian Secret Police in France had received

orders to *guide* the *French Press* on *Russian matters*, and that already it had expressed dissatisfaction with the attitude of some of the French newspapers in respect of occurrences at Kischineff as well as in connection with Finnish affairs.

A well-informed Copenhagen journal, the "Politiken," declares that M. Manniloff, the Chief of the Russian Secret Police in Paris, has himself contributed all the notorious articles which have appeared in the "Nouvelle Revue," the "Figaro," and the "Gaulois," signed Un Russe," on the orders of M. von Plehve. It is further stated that the same person contributed the so-called "communiqués" to the French press, to the effect that a Finnish Committee had prepared a pamphlet about the Russian Secret Police in Paris, but had given up the task on the payment of 500 francs made to it. Is it not probable that this sort of thing is going on here in England?

FOREIGN EDITOR OF ENGLISH PAPERS.

We have a journal printed and published in England called the "Iron and Steel Trades Journal," whose policy is a violent Free Trade one, its editor and secretary's name is ANTAL DORI. Is this an English name or is this gentleman an Englishman?

Let this gentleman with the foreign name, this leader of English fiscal opinion, answer my countryman, "A Welshman," who asks this pertinent question in a letter to the "Daily Express :"

“ Sir,—The undermentioned Welsh ironworks were in full swing within the last thirty-five years or so. Where are they to-day.?

Abernant, Aberdare.	Onllwyn, near Neath.
Aberamman, Aberdare.	Old Lodge, Llanelly,
Abersychan, Abersychan.	Pendarran, Merthyr.
Brynamman, Brynamman.	Plymouth, Merthyr.
Briton Ferry, Briton Ferry.	Port Talbot, Port Talbot.
Birchgrove, Swansea	Trimsaran, Trimsaran.
Grendraeth, Kidwelly.	Tondu, Bridgend.
Gadlys, Aberdare.	Treforest, Treforest.
Glais, Swansea.	Ystalyfera, Swansea Valley.
Hirwain, Hirwain.	Ynyscedwin, Swansea Valley.
Landore, Swansea.	Pentyrch, near Cardiff.
Maesteg, Maesteg.	Tredegar, Tredegar.
Mywyndy, Glamorganshire.	Rhymney, Rhymney.
Neath Abbey, Neath.	Blaina, Blaina.
Cardiff.	A WELSHMAN.”

Let him also answer me and tell me where our lost industries which flourished in England twenty years ago, have gone to, and why? Let him tell me if he knows of any industries which have flourished in any country before Protection was introduced, which have since Protection, ceased to exist or been wiped out? Or explain to his readers the reason he cannot quote any such vanished trades as the pernicious result of Protection.

Or let him answer S.A.W. in his letter to the “ Daily Express ” :—

“ Sir,—The lace industry may soon have to be added to the list of England's lost industries.

“ It will be simply because French manufacturers can send their lace over to this country free of any cost, whereas our manufacturers have to pay a duty of 30 per cent. upon their goods when they enter France :—

“ It is impossible for the English lace manufacturer to make headway against such unjust and iniquitous competition.

“ Nottingham.

S.A.W.”

Or let him answer the arguments in this book.

CHAPTER XIII.

THE COBDEN CLUB.

WE have a most active so-called Free Trade organism called the Cobden Club, the majority of whose members are foreigners, a large proportion being Germans. There were at the end of 1902, 475 members, 242 of these are foreigners domiciled abroad, and, says the "Daily Mail" :—

"And this list of foreign members might be greatly extended if those of obvious foreign origin who are resident at present in the United Kingdom and in our Empire abroad were added to the number. Here are some names taken almost at random from the official list of members of the Club :—

WOULD-BE LEADERS OF ENGLISH FISCAL POLICY.

Aynard, Edouard.	Jottrand, Gustave.
Baert, J. F. B.	Koedt, A. Pescheki.
Bastogi, Count Pietro	Kubeck, Baron Max von.
Beauregard, Paul.	Lamanski, E. de.
Bennich, Axel.	Le Hardy de Beaulieu, A.
Blomquist, G.	Leroy-Beaulieu, Paul.
Boccardo, Prof.	Majorana, Prof.
Bodio, Prof.	Marcoartu, Don Arturo de.
Bohmert, Profj.	Marco, Marchese de Viti de.

Bosch, Eduardo.	Marquand, Henry G.
Bosch, Don Pablo.	Mechelin, Dr. Leo.
Bosco, Dr. Auguste.	Menier, Gaston.
Bourouill, Baron J.	Michaelson, Joseph.
Boutmy, Emile.	Miyei, Keinoshin.
Broemel, Max.	Moret y Prendergast.
Chailly-Bert, Joseph.	Mosher, Orris.
Clemenceau, George.	Nordhoff, Chas.
Coffinières. M.	Passy, Frédéric.
Colnaghi, D. E.	Permezel, Léon.
D'Eichtal, Eugène.	Raffalovich, Arthur.
Delbrück, Herr.	Renaud, George.
Delombre, Paul.	Roux, Jules. Chas.
De Molinari, G.	Sapieha, Prince.
Donnat, Léon.	Savona, S.
Durckheim, Count.	Scherzer, Chevalier.
Echegaray, Senior.	Schœnhof, Jacob.
Figuerola, Don Laureano.	Schrader, Dr. Carl.
Fleury, Jules.	Schürz, Carl.
Fontpertuis, A. de	Sterne, Simon.
Franco, Giulio.	Strauss, Louis.
Frankqueville, Comte de.	Tacconi, Gaetano.
Frederiksen, Prof.	Tak van Poortvliet, J.P.R.
Gavazzi, Richard.	Taussig, F. W.
Gennadius, J.	Thaerner, Theodore de.
Germain, Henri.	Van Elewyck Ernest.
Gigot, Albert.	Vernadsky, Prof.
Gleichman, J. G.	Vivier, Alphonse.
Gröning, Dr. A.	Weigert, Dr. Max.

Gue, B. F.	Westenholz, R. A.
Haulleville, Le Baron de.	Witmer, W. W.
Houten, S. van.	Youmans, E. S.
Johannis, A. J. de.	

And these gentlemen belong to the Club which the other night hailed with acclamation the economic views of Sir Henry Campbell-Bannerman,

The countries represented by these names are Germany, France, Belgium, Austria, Italy, Russia, Finland, Denmark, Holland, Sweden, Spain, and the United States.

In addressing the members in response to the toast of the Cobden Club, Sir Henry Campbell-Bannerman said it was not the open hostility of the avowed protectionist that they had to combat. The danger lay in the *ill-informed indifference of the average man*. The *special duty* of the Cobden Club was to *open this man's eyes*. Yes, I suppose with a German tin opener !

The majority of foreign members are well advised, no doubt, in lending their moral sanction to a body whose propaganda benefits their various countries, while it may often injure its own ; the principal English members can have little idea of the decadence into which this club has now fallen. For what is the Cobden Club now ?

To quote from the "Daily Mail" :—"It is now merely a little coterie of noisy politicians, who, *trading* under the *reputation* of a great name and a large roll of honorary members, endeavour to attract notoriety ridiculously incommensurate with their deserts, and

who have the effrontery to issue an official list of members in which, in conjunction with the 242 Free Trade foreigners, appear the names of the Duke of Devonshire, Lord James of Hereford, the Earl of Kimberley, the Marquis of Lansdowne, and Sir Wilfred Laurier. The latter, we know, cannot possibly be associated with the objects for which the Club presumably exists."

AMAZING IMPUDENCE.

And this is the Club which is so active in attempting to upset Mr. Chamberlain's proposal, so anxious that this country should continue in this perverted result of Mr. Cobden's ideals. What amazing impudence to appeal to *Englishmen* at home and abroad. Why do they not subscribe the names of some of their foreign members to their recent circular to the Colonies? Why do they not, instead of Henderson, the newly-elected Labour Member for Barnard Castle, put one of their old members—say a "Mosher," a "Koedt," or a "Gleichman," &c., &c.

GERMAN INFLUENCE.

The German influence, therefore, in English life, must not be overlooked. There is hardly a trade or occupation in London which is not represented by its society,

club or union (the 1st of these). Then how these aliens are beating us in our own country—there are eleven German churches in London, three German papers, a German hospital, a German society of arts and German clubs (one of which is, or should be, the Cobden Club), thousands of German hotels, banks, and soon we shall have German arsenals, I suppose. Several districts of London are German colonies, and when we think of the education quoted above and imparted to young Germans leaving home, and the strong national spirit of the Germans, it is quite time to realise how mischievous an influence these Germans may have in propagating a policy such as the so-called Free Trade, which is beneficial to them and pernicious to us.

AWAKENING IN TIME.

Thank God, the awakening has come in time before those German warships, built only for one object (as I shall from their own paper quote) are ready to enforce their will on us and on our Colonies.

This is a quotation from one :—

“As regards England, we are entirely prepared to live in peace and friendship with that Power on the basis of *complete reciprocity* and *mutual consideration*. But it is exactly because our *international position* is a favourable one that we must *utilise* it to make ourselves *secure* for the future.”

While Herr Bebel, who, for the Social Democrats, opposed the Bill, was speaking as to its possible effect

of causing "a great inevitable naval war" between England and Germany, Herr Kropatscheck, of the "Kreuz Zietung," interjected, "It is because we have to *fear a war* with England that we need *a fleet*." Graf Limburg, the Conservative leader, expressed the opinion "that the naval measures of the *Government* were directed against *Great Britain*, and *were all the more welcome to him* on that account." "England's attitude towards us during the last few years must specially strengthen our wish for a larger Navy. Our attitude towards the Transvaal war is caused less by our sympathy for the Boers than by *our antipathy* for the *English*."

THE KAISER.

The Kaiser said that the large increase in the German Navy would enable him "to *impose* or *dictate peace* on *water* as well as on land." Subsequently he spoke of the new Navy as "this new offensive flank which I am building on to the Army by means of a powerful fleet."

Here we have at first hand the uncontradicted and uncontradictable testimony of the principals engaged. What is the intention disclosed?

"He who runs may read," surely. Yet let us take the "Nëue Freie Presse" of Vienna—Graf Bülow's organ—as our interpreter. Thus the paper: "What is happening in the world that the German State Secretary talks of the partition of the earth, and of the great dissolution, and claims, in the strongest possible accents,

a share for Germany in that arrangement? What makes him emphasize the position and the will of Germany, finally exclaiming, "Germany will not have her foot trodden on, or be brushed aside by any foreign Power"?

THE GERMAN CHANCELLOR.

"An indication is given by his speaking in a friendly manner about France, in warm and hearty tones about Russia, with lively sympathy about the United States, and in cool, dry, business-like terms about England alone." "She, without doubt, is the great Colonial rival with whom Germany will, in the first place, have to settle matters." . . . "A greater Germany rises before our vision in all her imposing grandeur. Germany feels strong, and wants to be stronger still." . . . "In Europe, Germany is secured against all surprises by the Triple Alliance and by her relations to Russia, and she can proceed to-morrow to prepare the Colonial programme for which she means adequately to arm herself."

In fact, "Germany doubles her fleet to rob England of several of her Colonies."

Not to be further misled, let us recognise the fact that Pan-Germanism expresses the aspirations and resolves of the nation as a whole. In a recent postcard circulated by such organisations this was the leading paragraph:—"The Boer War is but *part* of the *struggle* which is to decide whether GERMAN or *English* interests are to *predominate* in *South Africa*."

CHAPTER XIV.

OFFENCE TO OTHERS.

THE cowardly fears of offending Germany and the United States which seem to prevail in the breast of Lord Aberdeen, Lord Rosebery, Sir Campbell-Bannerman, and the little rabble of Little Englanders, are used as an argument by them against protecting your manufacturers, your agriculturists, and assisting your Colonies. What a state truly, we have fallen into, when men calling themselves Englishmen are permitted to exist and perpetrate such cowardly, weak and idiotic arguments.

If we fear Germany now while we are her superior at sea, what shall we do when she has (as is her ambition) excelled us in naval strength ? Listen to the following German threats :—

“ If England turns Protectionist, Continental Europe will have to unite in order to avoid being economically trampled upon, and the result will probably be war.”—(*Livonius.*)

“ Our Emperor knows that an insult to him is an insult to the nation, and that the day of atonement will come ; for God's mills grind slow but sure. And he may have thought to himself amid the turmoil, ‘ Be quiet, my sword, thy day will come ! ’

“ The British Government has for a long time past ceased to be popular. If public feeling should continue to favour the most popular man of England, then the name of the next premier will be Chamberlain, and the watchword, ‘ For the English Imperratum against German interference.’ Before that comes to pass we Germans must wish that the Government of Kaiser Wilhelm will not wait till England—who has wholly unmasked herself of late—decides to bring about something more serious than a Customs war.—‘ Ostdeutsche Bundschau,’ Vienna ” (Pan-German daily).

The bitterness of even educated Germans against England which these instructive pages reveal is an alarming symptom, and seems to suggest that Germany means mischief.

There is no act of malice or treachery of which we are not accused. We brought about the Franco-German war ; we betrayed Frederick the Great ; we outraged Germany in Samoa ; we have been far more systematic and persistent enemies to Germany than all Huns, Frenchmen and Imperial Pandours put together.

Of our fleet they speak with mingled hatred and contempt :—

“ The annual British manœuvres are useless, not to be compared to a rational continuous training. . . . The old British tactical and seamanlike superiority is gone ‘ We can unhesitatingly claim it for ourselves.’ Ships do not fight, but men; and to multiply ships without the men is futile. The conclusion of Admiral Livonius is

that the invasion of Britain has become quite possible with steam."

My dear fellow-countrymen, there is one nation, and only one, we have to fear. The French are, and always should be, our friends—the Germans, no. Their welfare and success depend upon the sleep which now closes the eyes of our electors; their energies will be employed in preventing the truth being known, and when you hear a dissentient voice raised in the Press, in Parliament, or in meetings like this, see if you cannot detect the German accent. They fear this, and well they may.

With regard to Protection, the decision of the German Government to *refrain* from putting its tariff reserves into action against Canada is approved to-night by several organs of the Liberal Press. The Conservative and Ultra-Conservative Press is silent.

The "Vossische Zeitung" and the "National Zeitung" support the course adopted by the Government for diplomatic reasons. They feel that tariff hostilities with Canada would assist the promotion of Mr. Chamberlain's scheme. Germany, they say, must keep in the background. This is the result of Mr. Chamberlain's action.

The "National Zeitung," in an article to-night, gives as a reason for Germany's not adopting tariff reprisals against Canada, that Germany must avoid providing "the wind to inflate Mr. Chamberlain's sails," as no advantage can accrue to Germany from the strengthening of Mr. Chamberlain's position.

The "National Zeitung" says that if the whole British

Cabinet shared Mr. Chamberlain's views on the matter the result would be a political and commercial upheaval, the issue of which it would be impossible to foresee. The journal desires to know how far Great Britain is prepared to go towards the abandonment of Free Trade. As Germany's difference with Canada, it concludes, has thrust Germany to the fore, it is she who must *take up the cudgels*.

The "Vossische Zeitung" expresses the opinion that Mr. Chamberlain has been driven to speak as he did by the fear that the German measures of reprisal against Canada will induce the other Colonies not to grant England favoured treatment. The "Vossische" further thinks that the resolutions of the Bloemfontein conference may still be annulled, and, in conclusion, pleads that Germany does not desire a tariff war with Canada.

Sir Conyngham Greene has just sent home a report on the trade of Switzerland, in which the British Minister shows] how England] has] been ousted by Germany.]

Out of 27,349 foreign commercial travellers who visited this country in 1902, only *thirty-six* represented British firms. The samples sent by German houses weighed 203 *tons* as compared to 19 *cwt.* forwarded by English firms.

As a man of the world, I admire the trade policy of the Germans. As an Englishman, I consider his advance a grave danger to England. As a student of History, I consider the Emperor William one of the

greatest of monarchs, and were I a German I should be proud of him. As an Englishman, *I fear him*.

The anger and jealousy of the Germans is caused by the fear that we may retaliate on their fiscal policy and shut England and our Colonies to their trade, and by imposing protective tariffs on articles, say, Swiss watches, clocks, &c., force them to give us the most favoured fiscal terms thereby enabling us to compete against the Germans. That we are at present strong enough to do so, and that in doing this we shall have every right and argument on our side, is certain. My only fear is that, with regard to both Germany and America, they may artfully endeavour to tie our hands by reciprocal treaties, so that we may be unable to take advantage of Mr. Chamberlain's proposals.

The policy of retaliation suggested by Mr. Chamberlain is not new. It is not in conflict with orthodox and sound Free Trade principles, as some suppose. It is as old as Adam Smith, and has all the weight of his authority. His dictum on the subject is clear and explicit. Here it is. In "Wealth of Nations," book iv., chapter 2, he says :—

"There may be good policy in retaliations of this kind when there is a probability that they will procure the repeal of the high duties or prohibitions complained of. The recovery of a great foreign market will generally more than compensate the transitory inconvenience of paying dearer during a short time for some sort of goods."

Adam Smith was too robust a Free Trader and too sensible as a bargainer to be frightened by even having to pay "dearer during a short time for some sorts of goods" in order to attain a great national purpose. But the paying dearer is, after all, problematical.

Foreign countries will cease buying our goods the moment they can do without them; until that time, they will take them. The question is, therefore, cannot we force them to take our goods, and at the same time make them take off the heavy penalties they impose on our manufacturers?

A SOLUTION.

The solution is to my mind simple. Show them that we are alive to the fact that both in the goods we, as a nation, buy, and in the goods we sell, we can be perfectly independent of their goods and their custom. This fact they already know, and they have been quietly awaiting to see if we, as a nation, were going to slumber on until we had lost our chance of consolidating the markets of the Empire with one free-trading community, taxing all imports of foreign countries as they have in the past taxed ours.

What would be the effect on America? She already penalises our goods to the very heaviest extent possible, the value of our goods sent to America have, in consequence, fallen to the small relative amount of £19,800,000. She, therefore, has no further weapon to use at present, but have we? She sends us, as against our 20 millions of goods we sell her every year, no less than £138,800,000 worth of goods which she sells us. Supposing we tax

her goods as she taxes ours, and placed on them a 33 per cent. *ad valorem* duty, she would have to pay £46,000,000 to our revenue before she could dump her goods into our market, and then she would be forced to sell them at the price at which we or our Colonies could produce them.

What would follow ? America would offer to take off the duties she imposes on our goods in return for reciprocity if we would let her do so. Is it possible that you, my reader, cannot see these facts ? It would not be the American who would squeeze and pull the Lion's tail, but it would be John Bull who would pluck some of the feathers from the American Eagle, and they would be golden feathers, too. Remember this, had the country awakened at an earlier date to the disastrous effects of the so-called Free Trade, and encouraged our Possessions to produce the articles for which we are dependent to a certain extent on foreigners, we should have had some 2,000 millions more money in circulation in our Empire, we should have been independent of the world, and would have been raising an enormous income from the taxation of foreign imports. Our trades would have been flourishing, wages higher, the position of our Empire infinitely stronger, and our foodstuffs as cheap, if not cheaper than before. Canadian and Australian wheat is as good as American, they (our Colonies) can supply us with 50 *times* more than we want, and it will come in *free*. Why not, then, tax foreign wheat ? By foreign wheat, I mean, of course, that produced by countries outside our Empire.

CHAPTER XV.

OUR EMPIRE.

THE AUSTRALIAN COLONIES.

OUR Colonies and our Indian Empire are in the position of children to the Mother Country, their future prospects are unlimited, but their progress and present position demand for them the same most careful consideration, courtesy and regard which is justly due to sons who have attained their manhood rights. The present want of vitality of our Australian Colonies is not hard to discover, and is one for which we are to a great extent to blame. Our Colonies are fertile, healthy and rich in mineral wealth, they are peopled by a fine strong and healthy race, who have sprung from our loins, but they have had the misfortune to belong to a wealthy, indulgent, but foolish parent, who, while prodigal in pouring gold into her children's coffers (with a view, of course, to substantial repayments), has practically offered no inducements to her children to engage in healthy commercial activity and that mutual reciprocity which they have repeatedly asked for. England, in clinging to the world-condemned and fearsome mockery the so-called Free Trade, has been too bigoted to study the trend and opinion of other countries, too dead to hear the appeals made to her by her Colonies, and thus commercially scattered her food to strangers and has left her own children to starve.

Hence it is that with boundless natural advantages, with unlimited gold at its disposal, Australia has been unable to compete against its bounty-fed rivals, whose geographical and other advantages preclude rivalry under our present fiscal system. The money borrowed by Australia has been largely laid out in railways, harbours, &c., &c. Wisely laid out, too, but why are they not paying better ; why are they (the Colonies) not filled with the human throb of commercial activity ? Why ? Because England has refused to listen to them ; refused to open her eyes to the fact that the hundreds of millions she has lent are not yielding the revenue they should, and in consequence of the blind, conceited adherence to a policy which she is too proud to admit is a crass fraud and folly, and too bigoted to admit that our so-called Free Trade is not the Free Trade advocated by Cobden, &c.

She has practically failed to avail herself of the magnificent corn-growing and fruit-producing power of South Australia, the wool and cattle-producing powers of Victoria and New South Wales and Queensland, and the magnificent sugar-growing districts in Queensland, &c., &c. Fancy, if only half of the 6,000 millions which we have sent into America North and South, Germany and Russia for these commodities in the last forty years had been spent in Australia, Canada, &c. Imagine the teeming population and wealth of that country. Imagine our perfect immunity from *famine* should America try and seize Canada, Russia or India,

and shut their corn markets to us. Why, we should have Adelaide flour, the finest in the world, Australian beef and mutton, second to none, Queensland sugar the best in the world, and so I might go on only about Australia's powers of feeding us with raw material, coffee, cotton, wines, fruit, tobacco, arrowroot, &c., &c. But no, all these industries, if we have not killed them, we have shamefully neglected, we now send millions into Germany for their bounty-paid, weak and non-convincing beetroot sugar—we pay our millions into America for our cotton and wheat, also to Russia for our wheat. We allow South American meat, wool, &c., to undersell our Colonial products—and consequently they, our own Colonies, are not prosperous, and they have not the market for their raw material they should have, and worse still—oh ! thou fool of a John Bull !—neither are you prosperous. 1,342,000 of paupers last year, 12 millions of people always on the verge of hunger, as Sir C. Bannerman tells us, our list of failures in trade daily increasing, thanks to Free Trade. I do not blame the Colonies, it is your fault my dear friends. Every one of you here who do not take up the cudgel and fight a good fight are guilty of this enormity, the fostering of the interests of our enemies and the absolute neglect and abandonment of our children ; but take care, children sometimes leave the fireside—you may be left unless you keep up the fire—the welcome warm.

I should think the American Colonies were a lesson for all time, but the Spanish Colonies might be another

instance. Of course, to a righteous God-favoured honest nation—such as ours is!!—such a parallel would be impossible, but then you never know, do you? The past history of the children of the Empire must be considered, and it behoves us to consider fully their future as well as our own, and the welfare of our descendants and the future of our country turn most critically on the future relationship of our Colonies, and our Possessions, to ourselves—remember that, though the ties of sentiment and relationship may be strong, the struggle for existence and self-interested arguments are much stronger.

VALUE OF OUR COLONIES.

How valuable these Colonies are to us, the subjoined results will prove, also that these figures give a strong argument in favour of preferential tariffs. They are supplied by the Board of Trade Returns, August 13th 1903, "Giving the total trade of the British Colonies and Possessions inclusive of bullion and specie, with the United Kingdom and other British Possessions and foreign countries during each of the years 1890-1900."

The following result is arrived at from comparing the value of the import trade into the Colonies from the United Kingdom and foreign countries.

FROM UNITED KINGDOM AND BRITISH POSSESSIONS.

1890	-	-	-	£144,549,000
1900	-	-	-	163,099,000

Increase	-			<u>£18,550,000</u>
----------	---	--	--	--------------------

FROM FOREIGN COUNTRIES.

1890	-	-	-	£51,179,000
1900	-	-	-	80,839,000
Increase	-			£29,660,000

During the ten years' period it will be seen that, while the imports into the Colonies from the United Kingdom and British Possessions have only increased £18,550,000, the imports from foreign countries have increased £29,660,000.

The effect of trade preference within the Empire would almost certainly be to divert a large portion of the foreign trade to the United Kingdom and the Colonies.

Treating the Export trade of the British Colonies and Possessions in the same manner, the following figures are obtained :—

TO UNITED KINGDOM AND BRITISH POSSESSIONS.

1890	-	-	-	£119,015,000
1900	-	-	-	151,495,000
Increase	-			£32,480,000

TO FOREIGN COUNTRIES.

1890	-	-	-	£68,549,000
1900	-	-	-	86,778,000
Increase	-			£18,229,000

From these figures it is evident that the Colonies find their best markets within the Empire, and have everything to gain by preferential tariffs, which will protect them from the competition of the foreigner.

It is certain that, if England does not make some return for the preferential tariff Canada has given us, sooner or later that tariff will be repealed. England will lose not only that market but Canada as well, and more distress and loss of work will occur to England.

A WARNING.

The following remarks by General James Wilson, in a speech at the Commercial Club here (New York), advocated a "Free Trade Union between the United States, Cuba, Puerto Rico, Mexico and Canada, against Europe, as a means of extending the commercial supremacy of the United States."

General Wilson said that Free Trade should be given to Canada *only* on *condition* that she should apply the American tariff against Great Britain.

He declared that the Monroe doctrine applied to Canada, and added that, should Great Britain ever make the government of her Colonies oppressive, it would be *the duty of the United States to interfere*.

New York, Tuesday, October 28.

The recent reports of increasing emigration from the United States to the north-western provinces of Canada have excited considerable interest here. According to

the official statistics fully 75,000 Americans emigrated to Canada up to last June.

The newspapers which comment on the subject, so far from deploring the event, regard it as an excellent omen for the future. They believe that American settlers will gradually Americanise the Canadian North West, and play an important part in bringing about the peaceful *annexation of the Dominion*.

The only field in which Canadian competition is seriously feared is wheat growing. Experts admit that if the Manitoba wheat crop increases in the next ten years to the *same extent as in the past decade it will eventually supply all England's import needs*. Manitoba wheat now ranks as the best of any on the American continent.

Official statistics show that the number of emigrants arriving in Canada during the fiscal year ending June, 1902, was 67,230, an increase of 18,081 over the figures of the previous year.

America sent 26,312, as against 17,987 in the previous year. Great Britain came next with 17,259, which was 5,449 more than last year. From Europe, excluding the British Isles, Canada received 23,659, an increase of 4,307 on the previous year.

CHAPTER XVI.

CONCLUSION TO MY READERS.

I COULD continue placing more arguments, more figures, and more facts before you, but my time for writing this book has been most limited. I hope, therefore, you will be lenient in your criticism, as I feel that, however sincere my intentions have been, the preceding pages will exhibit to the critical eye faults both in the grouping of the facts and in the style of placing them before you. Please pardon any faults of this description, but let me entreat you to give the facts and arguments your most earnest attention.

The change in our Fiscal Policy *must come*. Why not insist on its coming at once? The sooner it comes the better for you and your posterity; but delay in this matter is most dangerous. Do not forget my warning as to Canada. Do not be misled by the bogey cry of dear bread, or the assumed horror expressed by so-called Free Traders at the idea of taxing food. We do tax food, as they well know, and have done so for hundreds of years. They only raise the cry to mislead the ignorant, and those who will not study the matter. On tea, coffee, sugar, dried fruit and tobacco alone, between the years 1855 and 1886, no less a sum than £485,483,488 was paid in taxes. I have not the figures of the sum paid since then, but it is an enormous sum.

How, then, can men raise a cry against taxing food, when it is already taxed so heavily ? All we want to do is to shift the taxes a little, release those on commodities we cannot produce, and correspondingly tax those we can, as one would shift the weight in a loaded cart ascending or descending a hill without increasing or lessening the weight in the cart, but only making the load easier for the horse.

Cobden, by his own words, has been proved to be most misguided and most wrong. Commercially, Cobden made a failure of his life, and for that reason alone one might have mistrusted his judgment, but the one who now comes forward as a patriot as well as a statesman, has, both in private and public life, proved himself a successful and trustworthy citizen, and for that reason alone should be followed. Do not forget the boon he gave to the workman in the Workmen's Compensation Act. Do not forget that it was due to him and his party that Gladstone's mistaken attempt at giving Home Rule to Ireland was defeated, and he and Mr. Balfour have pluckily risked losing the support of their large following, and faced the country with proposals which must now be considered. Is it probable that they would propose such a momentous change in our policy unless they were alive to its absolute necessity, its urgent need ? Their voices will be heard soon ringing through our country. Give heed to them as you would do to any honest, tried and successful men.

They will be assisted all through this campaign by

men of abounding zeal in this cause, men who are worthy of being heard, who have your interests at heart, men who, with pure patriotism, will give up their time and their money, and, if necessary, their lives, to awaken you to the urgent need there is for Protection and Reciprocity with your Colonies and Possessions. With so-called Free Trade we shall lose our Colonies, we shall find the wall of tariffs daily becoming higher, and finally we shall be driven to Protection, but alas ! with our Colonies and our wealth gone ; for we are losing our wealth rapidly, as I have proved.

Germany, in the balance sheet of her imports and exports, is a gainer, but she has, in addition, an income of 50 millions coming in to her for her investments abroad.

England, in her balance sheet, has a loss of about 180 millions per annum.

The Germans have 485 millions in their savings banks, England has only 200 millions in hers.

Facts of the gravest importance will be placed before you this autumn by Mr. Balfour, Mr. Chamberlain, and their party—facts which are now being most fairly and carefully prepared, but which I cannot, unfortunately, lay before you, as they are not yet calculated.

Do not be misled, do not think that these great men will condescend to hoodwink you to give you false or misleading facts. Their record is too great to admit of their doing such a thing, their cause too just to need anything but the truth. Once again I implore you to wake up and save your country while there is time.

DANGER.

If there is any danger to England by her being dependent on foreigners for her food stuffs when these are not only replaceable but can be supplied by our Colonies, how much greater is the danger of depending on foreigners for a material like coal, which is irreplaceable and which is of such vital importance to the nation.

We shall assuredly exhaust our coal before long. Germany is economising her coal and buying ours—and for what reason? Is it that she hopes that we shall exhaust our coal fields by the time she has her navy ready?

I must record my thanks to Sir Joseph Lawrence, Mr. H. W. Wilson, Mr. Ernest E. Williams, and many others, from whose energetic writings I have learnt much, as well as to the Editors of the “Daily Mail” and the “Daily Express.”

CHAPTER XVII.

August, 31st, 1903.

WHILE going to press, the following letter has appeared in the "Daily Express." I take the liberty of reproducing it. If any evidence was required as to my justification in going so fully into the German relationship, surely none other is required than this letter. That German money will be poured into this country to influence leaders of working men, the press, &c., &c., must now be evident to everyone. It has been a contention of mine for some time.

THE GERMAN FOE.

PLOT TO DESTROY OUR COMMERCE.

SURPRISING DOCUMENT.

HITTING BELOW THE BELT.

We have received from a Hamburg correspondent the letter which is printed below. We have obtained from him the name of *the writer* and *further proofs* that *establish the authenticity of the communication*.

Upon our leader page will be found our opinion on perhaps the most illuminating contribution to the discussion on Mr. Chamberlain's proposals that has yet *been published*.

Hamburg, Friday, Aug. 28.

I have received the remarkable letter, a translation of which I append, from a prominent *merchant of this city*. A copy was addressed to him presumably as it has been to other *leading commercial men, by a German University Professor*.

The letter was handed to me on my promise *that the identity of the writer should not be published*.

THE LETTER.

Germany has arrived probably at the *most critical moment in her history*, and the next few years will decide whether she will fill the foremost place in the world, to which she is entitled, or sink to the rank of a secondary State. Our population is increasing at an average rate of 817,455 souls per annum, and, according to Schmoller and others, the population of the Empire will within a century rise to about 150,000,000, if not more.

NO ROOM IN EUROPE.

Even if our justified wishes should be *fulfilled*, and if Germany should in course of time absorb Holland, Austria, and parts of Switzerland, there will, nevertheless, be no room for these 150,000,000 *Germans in Europe*. Consequently, we shall only succeed in benefiting Anglo-Saxon nations with our emigrants, who will still be the welcome Culturdünger (manure of civilisa-

tion ?) as heretofore. Being too weak in numbers, Germany will play a modest part in the world compared to the Anglo-Saxon mammoth countries and Russia.

The tendency for protection which is *strengthening everywhere threatens us with the extinction of our industries*, which, as long as they require the raw product raised by foreign nations, are at the mercy of those foreign nations. Germany must be self-supporting, and must be able to raise her raw products in her own colonies. During 1902 we imported indispensable raw products to the value of 2,000,000,000 marks from abroad, which come from nations that may become *our enemies*. From the foregoing it follows that Germany must either have colonies, *almost at any price*, in order to preserve her *national greatness and independence, or perish*.

COLONIES SCARCE.

As all lands worth having are possessed by other nations (in festen Händen) we can only *obtain colonies by conquest*. We have no reason to fear war either *with America or Russia*, but though we *can defeat either nation*, we cannot recompense ourselves at their cost. We cannot wish to absorb millions of *Slavs or South Americans*, nor can we permanently occupy part of the United States sea border notwithstanding the defects of the United States army. Therefore, it was unwise to provoke the *United States, as our policy*, unfortunately, has done.

Only from Great Britain can we hope to obtain *desirable possessions*. It is true that her fleet is at present numerically *much stronger than ours*, but as the size of a fleet is ultimately determined by the *wealth of the people*, we have reason for hope, for while Great Britain is *economically stagnant*, or rather *retrogressing*, we are rapidly progressing. For instance, British exports are admittedly shrinking *when we deduct her export of coal*, while our exports are rapidly *expanding*, as the following table of our chief exports shows :—

		1893 Marks.		1902 Marks.
Woollen goods	-	217,900,000	-	266,900,000
Cotton goods	-	154,300,000	-	259,200,000
Machinery	-	64,300,000	-	197,400,000
Coarse iron goods	-	66,100,000	-	162,200,000
Clothing, &c.	-	61,700,000	-	120,800,000
Fine iron goods	-	27,000,000	-	80,400,000
China	-	12,100,000	-	47,800,000

The rapid expansion in the exports of goods in which Great Britain once was paramount clearly proves that industrially we are in the ascendant, while Great Britain is stagnant.

GERMANY'S THRIFT.

At the end of 1900 there were 8,919,837,000 marks in the German savings banks, as compared with only 3,600,000,000 marks in the British savings banks. These two facts prove what has been known for a long time—

that *Great Britain is industrially and financially decaying*, and entitle us to hope that Germany shall be the chief heir when Great Britain has been so far reduced that the final liquidation takes place.

Our whole future lies, therefore, in the direction indicated ; but those brilliant *prospects would be threatened if Mr. Chamberlain should succeed in carrying out his Imperial and fiscal plans, which would convert the present helpless and loose conglomeration of stagnant nations into a homogeneous and progressing Empire*. Besides our industries, which have grown at England's cost, and which see in the British Colonies their most promising market, would rapidly decay, if such a contingency should take place.

It is therefore in the interests of Germany to avert by all means possible the *calamity with which the success of Mr. Chamberlain's policy would threaten our political and industrial future as a world-Power*, and no means should be left unused and no expense should be spared in order to frustrate Mr. Chamberlain's aims.

To attain that end the following steps among others might be taken :—

1. *The British Free Traders should be assisted in every way*. A powerful Press bureau disposing of ample funds should be established in London by the Government in order to promote *Free Trade in Great Britain*, and it could receive ample assistance from professional circles. As the *Cobden Club* has always made propaganda in England through foreigners such as *Yves Guyot, Bastiat*,

Leone Levi, Montgredien, Courcelles-Seneuil, and others, that institution would probably welcome such assistance.

Besides, attempts should carefully be made to induce the numerous foreign members of the

COBDEN CLUB

to be more active. Addresses and Resolutions on the part of the German Free Traders might stimulate them to greater activity. Individual exertions in that direction, such as the article in support of Free Trade by Brentano in the "Fortnightly Review" for August, are praiseworthy, but have little effect compared with a well-organised campaign.

2. It is known that

MONEY

plays a great part in all English *elections*, and a discreet personage in England should be entrusted with

AMPLE FUNDS,

partly with the object of increasing the party funds of the Free Traders, but chiefly in order to convert

IMPECUNIOUS BUT IMPORTANT

political personages and papers to Free Trade by judicious subsidies.

HINT TO GOVERNMENT.

3. The Government should intimate that Protection was a mistake, though it was to its regret necessary^r for the moment ; that a return to Free Trade was contemplated, and that other Governments would be sounded in order to induce them to take up general Free Trade. At the same time it should publicly and emphatically be declared that any attempt at giving preference to the

BRITISH COLONIES

would be answered by a tax of 50 per cent. *ad valorem* on British imports. Such an announcement would be particularly valuable if it was vigorously utilised (ausgeschlachtet) by the

SUBSIDISED PRESS

in the English manufacturing districts. Otherwise, the value of such a declaration would be comparatively small

Only after the outbreak of the South African war laid we down our great fleet which would have saved Africa for us if we had built it in good time. Surely, in a case like the present, when our whole future is at stake, funds should not be stinted, and *if the*

SECRET FUNDS

at the disposal of the Government should prove insufficient, our great *industrialists* should be approached, who, if

they only understand their own interests, will give the Government all the *financial assistance* which is needed

You and the few other gentlemen to whom I am addressing these views, have much influence in the highest circles, and I hope you will use that privileged position for advocating the steps recommended herein in the discreetest and most vigorous manner. By doing so you will work for the benefit of our *Fatherland*.

POSTSCRIPT.

RECENTLY a most extraordinary manifesto has been issued by fourteen Lecturers and Professors of Economics—on the subject of Fiscal Reform.

I do not imagine that one could possibly find a topic which these gentlemen would be more likely to know less about, when dealing with the subject in a practical and business-like manner.

In a few years' time it will be looked upon as inconceivable that such absurdities as those daily taught by these men were permitted by a nation of sane persons.

I wonder why the leaders of so-called Free Trade ever permitted such a weak and short-sighted manifesto to be published. I suppose it is necessary to answer such men, and, thank goodness, I find that they are already answered.

By permission of the "Daily Express" I quote this answer to their manifesto.

BOGEY-RAISING.

FISCAL MANIFESTO BY PROFESSORS.

FACTS AND FALLACIES.

A band of professors and teachers of economics have grouped themselves into a preliminary caucus, and in a letter to the "Times," have attacked the proposals which Mr. Chamberlain has not yet announced or even outlined in detail.

Below the document itself is printed the dignified and sensible rebuke of another professor, who refuses to endorse the opinions of his fellows, and protests against judging any proposal before it has been authoritatively announced.

The authors of this attack are for the most part, unknown to the lay world. Professor Alfred Marshall, of Cambridge is the best known of them. Prominent among them is the name of the Right Hon. Leonard Courtney, whose doings and sayings in the early days of the Boer war will not have been forgotten.

From first to last the professorial document is a fine effort at bogey-raising. There is scarcely one definite statement in the whole letter.

Following general remarks of a vague nature, they come to "our convictions on this subject (which) are opposed to certain popular opinions." These are given briefly below, with short comments in the form of facts :

IMPORTS AND EMPLOYMENT.

1. They deny that an increase of imports involves the diminished employment of workmen in the importing country.

FACTS.—Since 1872 the imports of woollen manufactured articles have increased from £4,000,000 to £10,600,000. During the same period the number of persons employed has fallen from 276,000 to 244,700—or a loss of 31,900.

In 1856 £3,900,000 worth of foreign gloves were imported. In 1902 this had risen to £20,900,000. British manufacturers found they could not compete with the French manufacturers, and they moved their factories to the Continent, thus depriving, in the opinion of a manufacturer, 100,000 British workers of employment.

On the other side, an English electrical manufacturer, Mr. Gustav Byng, of the General Electrical Company, has stated that, with thorough fiscal reform, he could at once treble the number of the men to whom he gives employment.

Their other statements are equally absurd, and are thoroughly squashed by the "Daily Express," which concludes with these remarks :—

PROFESSORIAL PROTEST.

The professors are, however, answered in their attack by a Professor of Economics of their own standing in the person of Mr. L. L. Price, Fellow and Tutor of Oriel College, Oxford.

He refuses to sign what he terms a "manifesto" on the ground that he does not find himself in sympathy either with the spirit, or some passages in the letter of their document.

The problems to which Mr. Chamberlain has given his attention were in Mr. Price's opinion bound to have pressed for our consideration before the lapse of a great interval. He gives several reasons for not signing, which may roughly be summarised as follows :—

1. The professors do not appreciate the dangers and difficulties, no less serious and inevitable, of maintaining the old position in the new circumstances which have arisen.

2. The details of Mr. Chamberlain's scheme have not authoritatively been made known. "I hold that in this case," Mr. Price states, "the details (*i.e.*, the particular imports to be taxed and the exact amount of taxation to be imposed upon them) are of great and indeed of determining importance."

3. Their mistake in this respect Mr. Price considers to have been shared by many politicians. These things may arrest even consideration of departure from our present fiscal policy. "I do not believe it possible," Mr. Price says, "to dismiss the question so easily or promptly; nor do I think that it would be for the permanent interests of the country or the Empire that this should be done."

4. Mr. Price regrets the publication of the document, as it will turn the economist into a partisan rather than an impartial expert who could and should assist enormously in the enquiry.

The only pity of it is that time and space have to be given to answer such nonsense, or that in these days of practical argument such a weak and foolish publication as this manifesto is possible.

